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TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

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

INTERIM RESULTS HIGHLIGHTS

- Contracted sales for the Period of RMB45.38 billion, representing an increase of 39.3% as compared with the corresponding period in 2020;
- Proportionate revenue^{note 1} for the Period of RMB18,185.3 million, representing an increase of 21.8% as compared with the corresponding period in 2020;
- Proportionate gross profit^{note 1} for the Period of RMB5,621.9 million, representing an increase of 39.8% as compared with the corresponding period in 2020;
- Profit for the Period of RMB1,923.3 million, representing an increase of 6.2% as compared with the corresponding period in 2020;
- Profit attributable to the owners of the Company for the Period of RMB1,628.9 million, representing an increase of 6.0% as compared with the corresponding period in 2020; and
- Cash to short-term debts ratio^{note 2} of 2.5 times (31 December 2020: 2.1 times), asset-liability ratio^{note 3} of 76.6% (31 December 2020: 78.6%) as at 30 June 2021.

Note 1: Proportionate revenue (or gross profit) refers to revenue (or gross profit) of the subsidiaries of the Group, aggregated with the equity revenue (or gross profit) of joint ventures and associates.

Note 2: Cash includes restricted bank deposits and cash and cash equivalents; short-term debts refer to interest-bearing bank and other borrowings (excluding interest payable) in current liabilities.

Note 3: Asset-liability ratio is calculated by total liabilities (net of contract liabilities) divided by total assets (net of contract liabilities).

RESULTS

The board (the “Board”) of directors (the “Directors”) of Times China Holdings Limited (“Times China” or the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 (the “Period”), together with the comparative figures for the corresponding period in 2020 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	13,638,443	14,924,520
Cost of sales		(9,090,515)	(10,902,663)
GROSS PROFIT		4,547,928	4,021,857
Other income and gains	5	544,002	1,194,388
Selling and marketing costs		(582,077)	(517,000)
Administrative expenses		(695,802)	(700,323)
Other expenses		(292,179)	(175,640)
Finance costs	7	(422,855)	(543,630)
Share of profits and losses of associates and joint ventures		211,107	(233,211)
PROFIT BEFORE TAX	6	3,310,124	3,046,441
Income tax expense	8	(1,386,808)	(1,235,643)
PROFIT FOR THE PERIOD		1,923,316	1,810,798
Attributable to:			
Owners of the Company	10	1,628,877	1,536,559
Non-controlling interests		294,439	274,239
		1,923,316	1,810,798

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021	2020
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted – for profit for the period	10	RMB84 cents	RMB79 cents
PROFIT FOR THE PERIOD		1,923,316	1,810,798
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of derivative financial instruments arising during the periods		21,523	(63,460)
Share of other comprehensive income/(loss) of a joint venture		9,024	(15,446)
Exchange differences on translation of foreign operations		227,149	(326,945)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		257,696	(405,851)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Net income/(loss) on equity investments designated at fair value through other comprehensive income/(loss)		3,200	(10,211)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		3,200	(10,211)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		260,896	(416,062)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,184,212	1,394,736
Attributable to:			
Owners of the Company		1,889,773	1,120,497
Non-controlling interests		294,439	274,239
		2,184,212	1,394,736

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	30 June 2021	31 December 2020
<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,038,774	1,177,999
Inventories of properties	689,026	1,354,246
Right-of-use assets	85,576	85,523
Investment properties	8,006,427	7,007,400
Goodwill	78,318	78,318
Other intangible assets	172,827	165,949
Interests in joint ventures	8,666,356	9,383,838
Interests in associates	3,919,611	2,782,440
Equity investments designated at fair value through other comprehensive income	413,310	410,952
Deferred tax assets	2,158,546	1,924,839
Prepayments, deposits and other receivables	1,759,591	1,067,739
Total non-current assets	26,988,362	25,439,243
CURRENT ASSETS		
Inventories of properties	99,179,547	79,079,315
Trade receivables	3,858,125	6,371,029
Contract assets	171,203	457,090
Contract costs	975,237	724,086
Prepayments, deposits and other receivables	35,589,173	30,733,096
Amounts due from joint ventures	13,636,405	7,532,760
Amounts due from associates	1,459,455	1,080,588
Tax prepayments	2,772,583	2,125,583
Restricted bank deposits	4,673,437	4,427,850
Cash and cash equivalents	22,159,260	33,531,747
Total current assets	184,474,425	166,063,144

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2021

		30 June 2021	31 December 2020
	<i>Note</i>	RMB'000 (Unaudited)	<i>RMB'000</i> (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	22,289,031	20,608,415
Other payables and accruals		32,613,687	23,300,554
Contract liabilities		36,580,819	24,203,207
Amounts due to joint ventures		6,807,422	10,853,290
Amounts due to associates		2,307,982	638,847
Interest-bearing bank and other borrowings and interest payable		11,681,337	19,030,214
Lease liabilities		25,969	115,881
Tax payable		9,723,817	9,358,981
		122,030,064	108,109,389
Total current liabilities		122,030,064	108,109,389
NET CURRENT ASSETS		62,444,361	57,953,755
TOTAL ASSETS LESS CURRENT LIABILITIES		89,432,723	83,392,998
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings and interest payable		44,063,869	43,439,917
Derivative financial instruments		40,450	57,405
Other long-term payables		16,002	58,581
Lease liabilities		2,417,286	2,210,090
Deferred tax liabilities		2,035,275	1,743,591
		48,572,882	47,509,584
Total non-current liabilities		48,572,882	47,509,584
Net assets		40,859,841	35,883,414
EQUITY			
Equity attributable to owners of the Company			
Share capital		154,278	154,528
Reserves		19,263,337	18,623,208
		19,417,615	18,777,736
Non-controlling interests		21,442,226	17,105,678
Total equity		40,859,841	35,883,414

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2021, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd., which was incorporated in the British Virgin Islands ("BVI") and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2013.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standard 34 *Interim Financial Reporting*.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 9, IAS 39,
IFRS 7, IFRS 4 and IFRS 16
Amendment to IFRS 16

Interest Rate Benchmark Reform – Phase 2

*Covid-19-Related Rent Concessions beyond
30 June 2021 (early adopted)*

The adoption of the above revised IFRSs has had no significant financial effect on the interim condensed consolidated financial information and there have been no significant changes to the accounting policies applied in the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

The property development projects undertaken by the Group during the six months ended 30 June 2021 are all located in Mainland China.

Six months ended 30 June 2021	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	11,005,605	2,406,527	226,311	–	13,638,443
Intersegment sales	–	–	25,254	(25,254)	–
	11,005,605	2,406,527	251,565	(25,254)	13,638,443
Segment results	1,360,614	1,860,104	131,885	–	3,352,603
<i>Reconciliation:</i>					
Bank interest income					215,859
Unallocated corporate expenses					(154,916)
Finance costs (other than interest on lease liabilities)					(314,529)
Share of profits and losses of associates and joint ventures					211,107
Profit before tax					3,310,124

Six months ended 30 June 2020	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	14,712,764	–	211,756	–	14,924,520
Intersegment sales	–	–	25,395	(25,395)	–
	14,712,764	–	237,151	(25,395)	14,924,520
Segment results	2,761,094	812,202	53,999	–	3,627,295
<i>Reconciliation:</i>					
Bank interest income					167,872
Unallocated corporate expenses					(42,134)
Finance costs (other than interest on lease liabilities)					(473,381)
Share of profits and losses of associates and joint ventures					(233,211)
Profit before tax					3,046,441

The following table presents the asset information of the Group's operating segments as at 30 June 2021 and 31 December 2020 (continued)

As at 30 June 2021	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	128,827,884	13,604,750	9,163,309	151,595,943
<i>Reconciliation:</i>				
Unallocated assets				<u style="border-bottom: 1px solid black;">59,866,844</u>
Total assets				<u style="border-bottom: 3px double black;">211,462,787</u>
As at 31 December 2020	Property development	Urban redevelopment business	Property leasing	Total
(Audited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	106,698,447	14,063,655	7,530,251	128,292,353
<i>Reconciliation:</i>				
Unallocated assets				<u style="border-bottom: 1px solid black;">63,210,034</u>
Total assets				<u style="border-bottom: 3px double black;">191,502,387</u>

The following table presents the liability information of the Group's operating segments as at 30 June 2021 and 31 December 2020

As at 30 June 2021	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	88,016,043	1,430,565	4,478,946	93,925,554
<i>Reconciliation:</i>				
Unallocated liabilities				<u style="border-bottom: 1px solid black;">76,677,392</u>
Total liabilities				<u style="border-bottom: 3px double black;">170,602,946</u>
As at 31 December 2020	Property development	Urban redevelopment business	Property leasing	Total
(Audited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	64,734,087	2,299,655	3,404,405	70,438,147
<i>Reconciliation:</i>				
Unallocated liabilities				<u style="border-bottom: 1px solid black;">85,180,826</u>
Total liabilities				<u style="border-bottom: 3px double black;">155,618,973</u>

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	13,412,132	14,712,764
<i>Revenue from other sources</i>		
Gross rental income from:		
Leases of self-owned properties	8,908	12,198
Subleases of leased properties	217,403	199,558
	13,638,443	14,924,520

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2021

Segments	Property development	Urban redevelopment business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services			
Sale of properties	11,005,605	–	11,005,605
Urban redevelopment income	–	2,406,527	2,406,527
Total revenue from contracts with customers	11,005,605	2,406,527	13,412,132
Geographical market			
Mainland China	11,005,605	2,406,527	13,412,132

All revenue from contracts with customers for the Group is recognised at a point in time when the completed properties for property sales or assets for urban redevelopment project are transferred to customers.

For the six months ended 30 June 2020

The Group's revenue from contracts with customers is derived from sale of properties to external customers of property development segment in Mainland China, the revenue from contracts with customer is recognised at a point in time with goods transferred.

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<i>Other income</i>		
Bank interest income	215,859	167,872
Interest income from third parties and joint ventures	67,708	66,018
Consultation fee income	38,119	37,747
Management fee income	23,958	18,730
Compensation income	35,249	28,314
Others	35,023	18,472
	415,916	337,153
<i>Gains, net</i>		
Gain on change from a joint venture to a subsidiary	2,868	–
Gain on change from an associate to a subsidiary	–	811,960
Gain on bargain purchase of a subsidiary	61,977	–
Gain on deemed disposal of a subsidiary	–	38,925
Gain on disposal of financial assets at fair value through profit or loss	230	82
Fair value gains on self-owned investment properties	60,024	–
Foreign exchange gain, net	2,940	6,268
Others	47	–
	128,086	857,235
	544,002	1,194,388

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold	8,571,681	10,840,584
Cost of urban redevelopment business	408,760	–
Direct operating expenses (including repairs and maintenance) arising on leasing of self-owned properties	867	695
Cost of subleasing of leased properties	109,207	61,384
Depreciation of property, plant and equipment	63,108	58,821
Depreciation of right-of-use assets	24,041	28,775
Amortisation of other intangible assets	11,307	6,894
Changes in fair value of self-owned investment properties	(60,024)	742
Changes in fair value of sub-leased investment properties	131,697	24,613
Employee benefit expense (including directors' remuneration):		
Wages and salaries	758,566	885,972
Pension scheme contributions	72,042	63,091
Less: Amount capitalised in properties under development	(362,498)	(290,829)
	468,110	658,234
Lease payments not included in the measurement of lease liabilities	1,999	232
Foreign exchange gain, net	(2,940)	(6,268)
(Gain)/loss on disposal of items of property, plant and equipment	(11)	317
Gain on deemed disposal of a subsidiary	–	(38,925)
Gain on change from a joint venture to a subsidiary	(2,868)	–
Gain on change from an associate to a subsidiary	–	(811,960)
Gain on bargain purchase of a subsidiary	(61,977)	–
Loss on derecognition of financial assets	48,000	–
Impairment losses on financial assets	67,756	27,877
Impairment of goodwill	–	10,119
Changes in fair value of derivative financial instruments	7,782	8,396
Premium paid on early redemption of senior notes	48,498	–

7. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expense	2,256,565	2,296,372
Interest on lease liabilities	108,326	70,249
Total interest expense on financial liabilities not at fair value through profit or loss	2,364,891	2,366,621
Less: Interest capitalised	(1,942,036)	(1,822,991)
	422,855	543,630

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the current and prior period.

PRC corporate income tax (“CIT”)

The Group’s income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group’s PRC subsidiaries enjoyed a preferential CIT rate of 15% during both years.

PRC land appreciation tax (“LAT”)

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in profit or loss as income tax expense.

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current:		
CIT	1,252,792	1,333,236
LAT	398,629	581,726
Deferred	(264,613)	(679,319)
Total tax charge for the period	1,386,808	1,235,643

9. DIVIDENDS

The proposed 2020 final dividend of RMB76.68 cents per share, totalling RMB1,486,685,000, was approved by the Company's shareholders at the annual general meeting on 21 May 2021. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position and has been paid partly in new shares of the Company and partly in cash in July 2021.

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,939,696,000 (six months ended 30 June 2020: 1,941,817,000) in issue during the period. There were no dilutive potential ordinary shares during six months ended 30 June 2021 and 2020.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the Company (RMB'000)	<u>1,628,877</u>	<u>1,536,559</u>
Weighted average number of ordinary shares in issue (in thousand)	<u>1,939,696</u>	<u>1,941,817</u>
Basic and diluted earnings per share (RMB cents per share)	<u>84</u>	<u>79</u>

11. TRADE RECEIVABLES

Trade receivables are mainly arisen from sales of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by government or customer in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in accordance with contracts.

	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	<u>3,969,748</u>	<u>6,436,553</u>
Impairment	<u>(111,623)</u>	<u>(65,524)</u>
	<u>3,858,125</u>	<u>6,371,029</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 3 months	2,196,412	4,417,153
4 to 6 months	–	65,903
7 to 12 months	805,814	1,594,541
Over 1 year	855,899	293,432
	<u>3,858,125</u>	<u>6,371,029</u>

12. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

	30 June 2021	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 year	19,174,274	18,756,949
Over 1 year	3,114,757	1,851,466
	<u>22,289,031</u>	<u>20,608,415</u>

The trade and bills payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

BUSINESS REVIEW

Overview

For the six months ended 30 June 2021, the Group recorded a revenue of RMB13,638.4 million, representing a decrease of 8.6% when compared with the same period for the six months ended 30 June 2020. Profit for the six months ended 30 June 2021 amounted to RMB1,923.3 million, representing an increase of 6.2% when compared with that for the six months ended 30 June 2020. The core net profit for the six months ended 30 June 2021 (excluding changes in fair value of self-owned investment properties, and net of the impact of related deferred tax, premium paid on early redemption of senior notes, changes in fair value of derivative financial instruments and loss on impairment of goodwill) increased to RMB1,934.6 million, representing an increase of 5.7% when compared with that for the six months ended 30 June 2020. Profit attributable to the owners of the Company reached RMB1,628.9 million, representing an increase of 6.0% as compared to that for the six months ended 30 June 2020. Basic and diluted earnings per share for the six months ended 30 June 2021 were RMB84 cents (for the six months ended 30 June 2020: RMB79 cents).

Property Development

The Group focuses on the major core cities in the Pearl River Delta region. As at 30 June 2021, the Group had 145 major projects in various stages in total, including 133 projects in major cities of Guangdong Province, namely Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, 6 projects in Changsha, Hunan Province, 1 project in Wuhan, Hubei Province, 2 projects in Chengdu, Sichuan Province, 2 projects in Hangzhou Area, Zhejiang Province and 1 project in Nanjing, Jiangsu Province. For the six months ended 30 June 2021, the Group's contracted sales⁽¹⁾ amounted to approximately RMB45.38 billion with a total GFA of approximately 2,349,000 sq.m.. The Group focuses in its projects on peripheral facilities, seeking to enrich customers' experience in arts and to fulfill needs of the middle to upper class households.

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for the six months ended 30 June 2021:

Project	Number of available for sale projects	Aggregate sales area this year <i>(sq. m.)</i>	Aggregate sales amount this year <i>(RMB million)</i>	Aggregate average sales price this year <i>(RMB/sq. m.)</i>
Guangzhou	51	631,000	19,490	30,887
Foshan	42	521,000	11,241	21,576
Jiangmen	8	243,000	1,875	7,716
Zhuhai	23	82,000	1,198	14,610
Zhongshan	22	147,000	1,584	10,776
Qingyuan	16	80,000	625	7,813
Changsha	12	140,000	1,734	12,386
Huizhou	8	105,000	1,195	11,381
Dongguan	12	224,000	4,905	21,897
Zhaoqing	3	88,000	723	8,216
Chengdu	2	19,000	230	12,105
Shantou	1	1,000	17	17,000
Shanwei	1	23,000	178	7,739
Heyuan	1	28,000	262	9,357
Wuhan	1	17,000	122	7,176
Total	203	2,349,000	45,379	19,318

Urban Redevelopment Business

For the six months ended 30 June 2021, the revenue from urban redevelopment business of the Group was RMB2,406.5 million. Such revenue was primarily resulting from urban redevelopment projects in regions such as Guangzhou and Foshan. As of 30 June 2021, there were approximately 160 urban redevelopment projects in aggregate, with a potential total saleable GFA of approximately 53.40 million sq.m..

Properties for Leasing and Sub-leasing

As at 30 June 2021, the Group held a GFA of approximately 33,835 sq.m. and 259 car parking spaces at Times Property Center and a GFA of approximately 37,567 sq.m. at Block No. 26 of Times King City (Zhongshan) for rental purposes, and the GFA for Guangzhou Times Commercial Management Co., Ltd. and its subsidiaries for sub-leasing purposes was approximately 816,590 sq.m.. For the six months ended 30 June 2021, the Group's rental income amounted to RMB226.3 million, accounting for 1.7% of its total revenue.

Land Reserves

As at 30 June 2021, the Group had total land reserves of approximately 21.7 million sq.m., which the Group believes will be sufficient to support its development need for the next three years. The table below sets forth the information on land reserves in major cities where the Group has established footholds:

Region	Total land reserves	
	(sq.m.)	(%)
Guangzhou	5,038,541	23.3
Foshan	3,448,199	15.9
Jiangmen	1,508,094	7.0
Zhuhai	738,573	3.4
Zhongshan	881,221	4.1
Qingyuan	4,030,553	18.6
Changsha	1,421,324	6.6
Dongguan	1,407,201	6.5
Huizhou	1,078,022	5.0
Chengdu	228,247	1.0
Zhaoqing	924,187	4.3
Shantou	182,690	0.8
Shanwei	69,006	0.3
Hangzhou Area	260,360	1.2
Heyuan	61,287	0.3
Wuhan	284,018	1.3
Nanjing	98,428	0.4
Total	<u>21,659,951</u>	<u>100.0</u>

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 30 June 2021⁽¹⁾:

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	-	30,520	-	-	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	23,170	-	-	91
Guangzhou Tianhe Project (Pige Factory Project)	Industrial	Pending	-	-	-	-	-	70
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial	Pending	-	-	-	-	-	35
Yun Du Hui	Apartment and commercial	2015	17,480	-	35	-	-	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	-	6,160	-	-	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	-	91,350	-	-	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	-	74,199	-	-	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	-	400	-	-	100
Times Cloud Port (Huadu)	Residential and commercial	2020	29,959	707	9,600	-	-	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	8,660	39,290	-	-	100
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	8,808	46,923	-	-	95
Huangpu Chemical	Commercial	2022	18,279	-	-	81,797	27,504	45
B2-2 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2019	61,145	12,721	49,260	-	-	100
B2-1 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	-	-	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	6,367	1,286	-	-	100
Project of Shigang Road, Haizhu District	Residential and commercial	2021	20,211	-	-	71,038	13,830	60
Times Fairy Land	Residential and commercial	2019	20,076	4,729	17,483	-	-	91
Times Forture	Residential and commercial	2018	20,177	2,340	33,356	-	-	100
Times The Shore	Residential and commercial	2020	53,985	-	42,376	-	-	100
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	-	26,965	-	-	52
Times King City (Zhongxin)	Residential and commercial	2020	90,976	-	-	135,017	87,604	51
Times King City (Zhongxin)	Residential and commercial	2021	31,509	-	-	98,138	52,970	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	-	-	546,401	149,110	51
Times Yunlai (Guangzhou)	Residential and commercial	2021	67,695	-	-	193,842	65,152	60
Times Longhu Yunlai	Residential and commercial	2021	81,178	-	-	186,780	52,529	17
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	-	-	141,480	37,019	100
Times Realm (Guangzhou)	Residential and commercial	2022	44,995	-	-	141,403	40,436	51
Times Impression (Guangzhou)	Residential and commercial	2021	102,948	-	-	453,424	102,157	75
Times Classic (Zengcheng)	Residential and commercial	2022	77,530	-	-	248,563	72,150	74
Times Horizon (Huangpu)	Residential and commercial	2022-2024	100,321	-	-	400,198	127,440	70
Times Flourism (Huangpu)	Residential and commercial	2022	23,467	-	-	73,881	23,460	60
Times Rhythm (Guangzhou)	Residential and commercial	2022-2023	110,168	-	-	421,203	90,960	50
Golden Field Yuefu	Residential and commercial	2021	33,321	-	-	184,452	72,762	30
ZSCN-E2 land parcel, Knowledge City	Residential	2022	47,879	-	-	71,360	21,072	25
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	-	31,570	-	-	100
Times City (Foshan)	Residential and commercial	2010-2017	505,776	-	92,817	-	-	100
Times City (Foshan) Phases V and VI	Residential and commercial	2016	12,860	-	3,084	-	-	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	-	23,870	-	-	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	-	355	-	-	91
Goden Lotus (Foshan)	Residential and commercial	2017	20,464	-	2,310	-	-	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	-	910	-	-	100
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	-	15,805	-	-	100
Times The Shore (Foshan)	Residential and commercial	2017	51,457	-	7,753	-	-	100
Times Classic (Foshan)	Residential and commercial	2018	35,383	-	15,342	-	-	100
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	-	3,108	-	-	100
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	4,072	29,924	-	-	91
Timing Home	Residential and commercial	2019	40,794	4,681	18,592	-	-	100
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	892	30,908	-	-	100
Mt. Tittlis (Foshan)	Residential and commercial	2019	117,893	282	3,118	-	-	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	12,907	36,304	–	–	100
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	14,427	64,543	–	–	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	28,879	22,816	–	–	60
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	–	35,132	–	–	75
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	23,285	5,265	18,236	28,485	50
Times Realm (Foshan)	Residential and commercial	2021	67,579	–	–	232,995	54,270	70
Baoli • Times (Foshan)	Residential and commercial	2021	48,498	–	–	142,950	33,780	49
Baoli Times Tianbo (Foshan)	Residential and commercial	2021	120,487	–	–	405,166	101,501	33
Times Memory (Foshan)	Residential and commercial	2021-2022	62,063	–	–	261,230	57,631	51
Foshan Dali Yanjiang Road Project	Residential and commercial	2021	36,313	–	–	105,615	21,780	51
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2021	12,688	–	–	32,348	8,215	33
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	–	–	128,760	28,636	100
Times Global Chuangke Town	Residential and commercial	2022-2023	223,952	–	–	623,598	180,054	75
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	11,304	–	–	36,501	11,298	33
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	–	–	54,299	8,400	100
Chuangke Phase II	Residential and commercial	2023-2024	119,035	–	–	326,000	13,500	24
Jiangmen								
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	49,967	43,292	–	–	70
Lake Forest	Residential and commercial	2020-2021	316,980	88,866	32,095	238,327	68,525	51
Central Park Living	Residential and commercial	2019	90,034	15,386	39,960	–	–	100
Times Horizon (Heshan)	Residential and commercial	2020-2021	49,735	1,507	1,787	9,721	28,813	90
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2021	119,153	–	3,192	186,959	52,988	91
Times Elegance (Heshan)	Residential and commercial	2022-2024	187,782	–	–	491,262	123,930	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	2,081	1,798	3,094	24,544	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhuhai								
Eolia City (Zhuhai) Phase VI	Residential and commercial	2013-2014	51,003	–	525	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,750	–	–	100
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	–	6,615	–	–	100
Times King City (Zhuhai) Phases II, III and IV	Residential and commercial	2016-2017	198,204	–	3,708	–	–	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	41,160	–	–	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	–	10,708	–	–	49
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	1,708	49,318	–	–	100
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	–	37,971	–	–	60
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	–	13,112	–	–	80
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2021	60,138	6,958	40,597	139,764	30,510	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	–	–	41,202	9,504	100
Times Horizon II	Residential and commercial	2020	11,393	17,159	8,353	–	–	50
Times Horizon III	Residential and commercial	2021	23,712	61,276	195	–	18,495	50
Times Horizon I	Residential	2020	9,540	–	–	24,054	6,693	38
Times Horizon IV	Residential and commercial	2021	48,432	–	–	127,999	32,239	38
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	33,775	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2021	132,290	18,987	76,997	212,806	16,650	93
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	29,624	–	–	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	1,478	21,234	–	–	100
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	47,650	19,103	–	–	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	45,306	18,806	–	–	73
Project of Qijiang New Town, Zhongshan	Residential and commercial	2023-2024	87,272	–	–	264,825	68,880	51

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	41,730	81,315	–	–	100
Times Garden (Qingyuan) Phase I	Residential and commercial	2016	70,650	–	33,086	–	–	100
Times Garden (Qingyuan) Phase II	Residential and commercial	2019-2020	84,440	7,889	11,509	–	–	100
Fogang Shilian Project	Residential and commercial	2026	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	2021-2023	477,020	–	–	418,725	49,361	58
The Shore (Qingyuan)	Residential and commercial	2021-2023	91,127	–	–	346,115	89,160	100
Jiada Feilai Lake Project								
The Shore (Qingyuan)	Residential and commercial	2019	68,840	10,665	80,632	–	–	90
Wanda West Project								
Times King City (Qingyuan) Phase IX (Heshun Project)	Residential and commercial	2019	42,214	4,121	–	–	–	100
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	–	–	374,527	95,490	70
Times The Shore II (Qingyuan)	Residential and commercial	2019-2021	133,102	7,732	–	330,867	62,850	64
Hengda Feilai Lake Project								
Feilai South Road Project (Qingyuan)	Residential and commercial	2022	23,137	–	–	80,670	21,660	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	62,781	34,384	–	–	100
Xinteng Project (Qingyuan)	Residential and commercial	2021-2022	123,987	–	–	362,487	94,260	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2021	53,164	–	–	153,695	40,200	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2021	649,862	267	120,678	258,661	66,026	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	151,724	32,761	–	–	100
Times Memory (Changsha)	Residential and commercial	2021	39,722	5,742	2,619	5,274	16,731	60
Times Mt. Tittlis (Meixi)	Residential and commercial	2021	71,041	–	–	313,502	40,265	60
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022	8,848	–	–	59,751	9,657	80
Land Parcels S16, Moon Island, Changsha	Residential and commercial	2022-2023	121,666	–	–	265,892	71,774	26

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Dongguan								
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,845	692	–	–	100
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	13,853	39,120	–	–	100
Times Thriving City (Dongguan)	Residential and commercial	2018-2020	42,519	5,506	15,483	–	–	100
Acquisition Project of Xiaohu Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2021	56,298	8,658	23,058	67,498	11,942	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	28,852	–	–	23,791	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2021	95,977	166,037	–	6,656	54,412	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	1,467	–	20,230	19,269	51
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	38,096	–	–	98,075	29,623	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023	69,524	–	–	233,878	44,376	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	41,837	–	–	118,096	22,968	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	27,572	–	–	87,955	22,963	49
Project of Liaosha, Houjie, Dongguan	Residential and commercial	2023	104,561	–	–	189,946	50,952	30
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2021	284,414	39,404	20,255	393,559	138,525	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	–	–	77,092	25,796	80
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	14,211	–	–	36,300	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2021-2022	62,000	–	–	130,932	36,240	80
Project of Baiyunshan Village Phase I (Land Parcel 3), Zhongkai District, Huizhou	Residential and commercial	2022-2023	51,762	–	–	97,005	68,703	100
Chengdu								
Times Elegance (Chengdu)	Residential and commercial	2020	30,429	9,698	21,960	–	–	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	–	4,565	158,638	33,386	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhaoqing								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	18,841	39,780	–	–	100
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	–	–	186,620	35,790	100
Project of Yaosha Village, Zhenshan, Sihui City	Residential and commercial	2022-2023	59,394	–	–	192,143	23,336	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2022-2023	43,031	–	–	131,412	36,840	100
Section near Yaosha Village Committee, Zhenshan Street, Sihui	Residential and commercial	2023	69,999	–	–	202,829	56,596	100
Shantou								
Times Horizon (Shantou)	Residential and commercial	2021	36,230	–	–	151,010	31,680	100
Shanwei								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	26,440	227	7,149	35,190	100
Hangzhou Area								
Times Realm (Hangzhou)	Residential and commercial	2021	26,861	–	–	74,712	19,002	80
Project of Longduhu, Xucun Town, Haining	Residential and commercial	2023	46,938	–	–	82,613	84,033	43
Heyuan								
Times King City (Heyuan)	Residential and commercial	2021	44,470	13,167	5,932	–	42,188	60
Wuhan								
Times Mark (Wuhan)	Residential and commercial	2021-2022	78,037	–	–	202,537	81,481	50
Nanjing								
Land Parcel, west of Magao Road and east of Zhijia Garden, Maqun Street, Qixia District, Nanjing City	Residential	2023	32,844	–	–	76,817	21,611	28
			11,881,219	1,152,966	2,048,184	14,605,002	3,853,799	

Notes:

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but has not obtained the requisite construction permits, or (ii) the Group has signed a land grant contract with the relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly comprises car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.

Acquisitions of land parcels for the six months ended 30 June 2021

The Group continued to expand its land reserves through various channels, including participations in public auctions, urban redevelopment projects, primary development, cooperation and acquisition.

For the six months ended 30 June 2021, the Group acquired 7 parcels of land in Guangzhou, Foshan, Changsha, Huizhou, Dongguan, Zhaoqing and Nanjing, and the land acquisition costs attributable to the Company amounted to a total of approximately RMB3,543 million.

Location (City) of projects	Number of projects	Expected total GFA (sq.m.)	Total land costs (RMB million)	Total land costs (attributable to the Company) (RMB million)
Guangzhou	1	92,432	1,196	299
Foshan	1	339,500	3,914	939
Changsha	1	337,666	1,208	314
Huizhou	1	165,708	503	503
Dongguan	1	240,898	2,031	609
Zhaoqing	1	259,425	420	420
Nanjing	1	98,427	1,640	459
Total	7	1,534,056	10,912	3,543

MARKET REVIEW

As of 30 June 2021, transaction volume and prices kept increasing in the whole real estate industry. According to the National Bureau of Statistics, the saleable area of commercial properties reached 886.35 million sq.m. nationwide, an increase of 27.7 percentage points on a year-on-year basis, with an average growth rate of 8.1% in two years; the transaction volume of commercial properties reached RMB9,293.1 billion; which increased by 38.9 percentage points on a year-on-year basis, with an average growth rate of 14.6% in two years. The average sales price of commercial properties was RMB10,485/m², which increased by 8.8 percentage points on a year-on-year basis. The market performance in the core regions were even better, with the growth rates of commercial properties sales in Zhejiang, Jiangsu, and Guangdong Province of 52.3%, 42.7% and 54.0% respectively, which were far higher than that of the national market.

The long-term mechanism of real estate is improving gradually, and the local governments carry out targeted policies for respective cities continuously, where some cities have enhanced their austerity measures to fill loopholes, prompting the overheated market to return to rationality. Under the prudent management system imposed on real estate financing, the regulation of the financing in the real estate industry continues with more financing methods of real estate enterprises included in the scope of regulation.

Various localities have carried out and strengthened the scrutiny of illegal funds flowing to the real estate industry. Credit lines have been tightened by banks, thus the grant of loan to home buyers have eased. According to statistics from the People's Bank of China, at the end of June, the balance of real estate loans was RMB50.78 trillion, representing an increase of 9.5% on a year-on-year basis, which was 2.8 percentage points lower than the growth rate of various loans. Among which, the balance of personal housing loans was RMB36.58 trillion, representing a growth of 13% on a year-on-year basis. Such rate was 1.6 percentage points lower than the end of the previous year.

The domestic transactions in the land market are divided. According to statistics from the China Index Academy, the amount of domestic residential land transaction was RMB3,225.4 billion, representing an increase of 10.8% on a year-on-year basis. Among which, the amount of residential land transactions in first-tier, second-tier, and third-to-fourth-tier cities increased by 30.5%, 19.6% and -0.5%, respectively, on a year-on-year basis. Land prices continued to rise, and the average land transaction price was RMB4,048/m², representing an increase of 32.6% on a year-on-year basis.

Prospects

Looking forward to the second half of 2021, the overall macroeconomy will remain stable with monetary policy continues to allow reasonable and sufficient liquidity. The support to the real economy will be continuously strengthened whereas fiscal policies will emphasize on precision and effectiveness.

Under the policy tone of “stable land prices, housing prices and market expectations”, the local governments will continue to implement targeted policy for respective cities, with an aim of maintaining the steady development of the real estate industry. With the increased investment in new infrastructure and the construction of digital cities, the value of the major metropolitan areas is further highlighted. Under the prudent management system of real estate financing, the control over the scale of real estate financing and loans granted to home buyers will remain. The overall market transactions are expected to slow down, and the regional divergence in market transactions will further intensify.

The Group will actively adapt to the policies and directions of the PRC, insist on the quality of growth, while keeping the growth, benefits and risks balanced. It will also ensure the residential development business attain growth with better quality, maintain the competitive advantages of urban redevelopment business and collaboratively develop the business including commercial business and industrial parks.

We will focus on deepening our presence across the Guangdong-Hong Kong-Macau Greater Bay Area, gradually develop regions with high potential such as Yangtze River Delta, the middle stream of the Yangtze River and Chengdu-Chongqing urban agglomeration. The Company will eye on the transformation of urban redevelopment and renewal, and ensure land reserves are sufficient and with high quality.

The Group will adhere to the aggressive sales strategies, strengthen our cash flow management, lower the gearing ratio and improve management efficiency.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property development, urban redevelopment business and property leasing and sub-leasing, which contributed approximately 80.7%, 17.6% and 1.7% respectively of the revenue for the six months ended 30 June 2021. The Group's revenue decreased by RMB1,286.1 million, or 8.6%, to RMB13,638.4 million for the six months ended 30 June 2021 from RMB14,924.5 million for the six months ended 30 June 2020. Such decrease was primarily attributable to the decrease in revenue from the sales of properties.

Proportionate revenue for the six months ended 30 June 2021 amounted to RMB18,185.3 million, representing an increase of RMB3,260.8 million, or 21.8%.

Property development

The Group's revenue from sales of properties decreased by RMB3,707.2 million, or 25.2%, to RMB11,005.6 million for the six months ended 30 June 2021 from RMB14,712.8 million for the six months ended 30 June 2020, which was mainly due to the decrease of area of properties delivered during the Period as compared with the corresponding period in 2020. The projects that contributed significantly to the Group's revenue for the six months ended 30 June 2021 mainly included Times King City (Heyuan), Times King City (Jiangmen), Times Memory (Changsha), Times Memory (Guangzhou), Times King City (Changsha) and Times Riverbank (Haifeng) etc.

Urban redevelopment business

For the six months ended 30 June 2021, the revenue from urban redevelopment business of the Group was RMB2,406.5 million. Such revenue was primarily resulting from urban redevelopment projects in regions such as Guangzhou and Foshan. As of 30 June 2021, there were approximately 160 urban redevelopment projects in aggregate, with a potential total saleable GFA of approximately 53.40 million sq.m..

Property leasing and sub-leasing

The Group's gross rental income increased by RMB14.6 million, or 6.9%, to RMB226.3 million for the six months ended 30 June 2021 from RMB211.7 million for the six months ended 30 June 2020. The increase was primarily due to the increase in leased projects and area during the Period.

Cost of sales

The Group's cost of sales decreased by RMB1,812.2 million, or 16.6%, to RMB9,090.5 million for the six months ended 30 June 2021 from RMB10,902.7 million for the six months ended 30 June 2020. The decrease was primarily attributable to the decrease of area delivered in property sales as compared with the corresponding period in 2020.

Gross profit and gross profit margin

The Group's gross profit increased by RMB526.1 million, or 13.1%, to RMB4,547.9 million for the six months ended 30 June 2021 from RMB4,021.8 million for the six months ended 30 June 2020. For the six months ended 30 June 2021, the Group's gross profit margin increased to 33.3% from 26.9% for the six months ended 30 June 2020. The increase was primarily due to the recognition of revenue from urban redevelopment business with higher gross profit margin during the Period.

Other income and gains

The Group's other income and gains decreased to RMB544.0 million for the six months ended 30 June 2021 from RMB1,194.4 million for the six months ended 30 June 2020, which was primarily attributable to the premium income brought after the successful transformation of Guangzhou Hongwei project in the corresponding period in 2020, and there was no such business during the Period.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB65.1 million, or 12.6%, to RMB582.1 million for the six months ended 30 June 2021 from RMB517.0 million for the six months ended 30 June 2020. The increase was mainly due to selling and marketing activities have increased as compared with the corresponding period in 2020 as the pandemic faded away.

Administrative expenses

The Group's administrative expenses decreased by RMB4.5 million, or 0.6%, to RMB695.8 million for the six months ended 30 June 2021 from RMB700.3 million for the six months ended 30 June 2020, which was basically the same as the corresponding period in 2020.

Other expenses

The Group's other expenses increased by RMB116.6 million, or 66.4%, to RMB292.2 million for the six months ended 30 June 2021 from RMB175.6 million for the six months ended 30 June 2020. The increase was primarily attributable to the premium paid on early redemption of senior notes.

Finance costs

The Group's finance costs decreased to RMB422.9 million for the six months ended 30 June 2021 from RMB543.6 million for the six months ended 30 June 2020. The decrease was primarily due to the decrease in interest-bearing liabilities of the Group.

Income tax expense

The Group's income tax expenses increased by RMB151.2 million, or 12.2%, to RMB1,386.8 million for the six months ended 30 June 2021 from RMB1,235.6 million for the six months ended 30 June 2020. The increase was primarily attributable to the increase in the Group's taxable profit for the six months ended 30 June 2021.

Profit for the Period

The Group's profit for the Period increased by RMB112.5 million, or 6.2%, to RMB1,923.3 million for the six months ended 30 June 2021 from RMB1,810.8 million for the six months ended 30 June 2020. Basic and diluted earnings per share for the six months ended 30 June 2021 were RMB84 cents (for the six months ended 30 June 2020: RMB79 cents).

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company increased by RMB92.3 million, or 6.0%, to RMB1,628.9 million for the six months ended 30 June 2021 from RMB1,536.6 million for the six months ended 30 June 2020. Core net profit attributable to the owners of the Company increased by RMB84.5 million, or 5.4%, to RMB1,640.1 million for the six months ended 30 June 2021 from RMB1,555.6 million for the six months ended 30 June 2020.

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2021, the carrying balance of the Group's cash and bank deposits was approximately RMB26,832.7 million (31 December 2020: RMB37,959.6 million), representing a decrease of 29.3% when compared with that of 31 December 2020. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the regulatory accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 30 June 2021, the amount of the Group's restricted bank deposits was RMB4,673.4 million (31 December 2020: RMB4,427.9 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing bank loans and other borrowings (excluding interests payables) of approximately RMB54,898.1 million as at 30 June 2021. Borrowings that are due within one year decreased from RMB18,070.5 million as at 31 December 2020 to RMB10,834.2 million as at 30 June 2021, and approximately RMB40,992.2 million of borrowings are due within two to five years and approximately RMB3,071.7 million of borrowings are due in over five years. As at 30 June 2021, the Group's outstanding loans were secured partially by part of the investment properties, trade receivables, inventories of properties and the property, plant and equipment with a carrying value of approximately RMB518.0 million, RMB1,798.6 million, RMB5,574.6 million and RMB609.3 million, respectively. As at 30 June 2021, equity interests of certain subsidiaries of the Group were pledged as security for certain of the Group's interest-bearing bank and other borrowings.

Details of the equity or debt securities issued by the Company and/or its subsidiaries during the Period are set out below:

(a) USD 5.55% Senior Notes due 2024

On 4 June 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD400,000,000 (equivalent to approximately RMB2,584,037,000) (the "USD 5.55% Senior Notes issued in June 2021"). The USD 5.55% Senior Notes issued in June 2021 are listed on the Stock Exchange and bear interest from and including 4 June 2021 at the rate of 5.55% per annum, payable semi-annually in arrears.

(b) USD 5.30% Senior Notes due 2022

On 22 April 2021, the Company issued 5.30% senior notes due 2022 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,292,018,000) (the "USD 5.30% Senior Notes due 2022"). The USD 5.30% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 22 April 2021 at the rate of 5.30% per annum, payable semi-annually in arrears.

(c) USD 5.75% Senior Notes due 2027

On 14 January 2021, the Company issued 5.75% senior notes due 2027 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,261,032,000) (the "USD 5.75% Senior Notes due 2027"). The USD 5.75% Senior Notes due 2027 are listed on the Stock Exchange and bear interest from and including 14 January 2021 at the rate of 5.75% per annum, payable semi-annually in arrears.

(d) USD 6.20% Senior Notes due 2026

On 22 September 2020, the Company issued 6.20% senior notes due 2026 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,261,032,000) (the “USD 6.20% Senior Notes issued in September 2020”). On 17 March 2021, the Company issued 6.20% senior notes due 2026 in a principal amount of USD100,000,000 (equivalent to approximately RMB646,009,000) (the “USD 6.20% Senior Notes issued in March 2021”). The USD 6.20% Senior Notes issued in September 2020 and the USD 6.20% Senior Notes issued in March 2021 are consolidated and formed a single series, collectively as the “USD 6.20% Senior Notes due 2026”. The USD 6.20% Senior Notes due 2026 are listed on the Stock Exchange and bear interest from and including 22 September 2020 at the rate of 6.20% per annum, payable semi-annually in arrears.

(e) RMB 5.94% Non-Public Domestic Corporate Bonds due 2024

On 21 August 2020, Guangzhou Times Holdings Co., Ltd.* (廣州市時代控股有限公司) (“Guangzhou Times”) issued non-public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,100,000,000 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.94% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 24 August 2020 at the rate of 5.94% per annum, payable annually in arrears.

(f) RMB 5.68% Non-Public Domestic Corporate Bonds due 2024

On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 5.68% per annum at a par value of RMB500,000,000 (“RMB 5.68% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.68% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 4 August 2020 at the rate of 5.68% per annum, payable annually in arrears.

(g) RMB 5.94% Public Domestic Corporate Bonds due 2025

On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,600,000,000 (“RMB 5.94% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.94% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 17 July 2020 at the rate of 5.94% per annum, payable annually in arrears.

(h) USD 6.75% Senior Notes due 2025

On 8 July 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD300,000,000 (equivalent to approximately RMB1,938,027,000) (the “USD 6.75% Senior Notes issued in July 2020”). On 30 October 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD250,000,000 (equivalent to approximately RMB1,615,023,000) (the “USD 6.75% Senior Notes issued in October 2020”). The USD 6.75% Senior Notes issued in July 2020 and the USD 6.75% Senior Notes issued in October 2020 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2025”. The USD 6.75% Senior Notes due 2025 are listed on the Stock Exchange and bear interest from and including 8 July 2020 at the rate of 6.75% per annum, payable semi-annually in arrears.

(i) RMB 5.24% Public Domestic Corporate Bonds due 2025

On 26 May 2020, Guangzhou Times issued 5.24% public domestic corporate bonds in a principal amount of RMB2,500,000,000 (“RMB 5.24% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.24% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 27 May 2020 at the rate of 5.24% per annum, payable annually in arrears.

(j) USD 6.00% Senior Notes due 2021

On 6 May 2020, the Company issued 6.00% senior notes due 2021 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,292,018,000) (the “USD 6.00% Senior Notes due 2021”). The USD 6.00% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 6 May 2020 at the rate of 6.00% per annum, payable semi-annually in arrears. On 5 May 2021, the Company has repaid all principal amount and interest.

(k) RMB 5.10% Public Domestic Corporate Bonds due 2025

On 26 March 2020, Guangzhou Times issued 5.10% public domestic corporate bonds due 2025 in a principal amount of RMB1,550,000,000 (“RMB 5.10% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.10% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 5.10% per annum, payable annually in arrears.

(l) RMB 6.30% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued 6.30% public domestic corporate bonds due 2027 in a principal amount of RMB950,000,000 (“RMB 6.30% Public Domestic Corporate Bonds due 2027”). Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.30% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 6.30% per annum, payable annually in arrears.

(m) RMB 5.00% Public Domestic Corporate Bonds due 2025

On 21 February 2020, Guangzhou Times issued 5.00% public domestic corporate bonds due 2025 in a principal amount of RMB740,000,000 (“RMB 5.00% Public Domestic Corporate Bonds due 2025”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.00% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 5.00% per annum, payable annually in arrears.

(n) RMB 6.20% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued 6.20% public domestic corporate bonds due 2027 in a principal amount of RMB575,000,000 (“RMB 6.20% Public Domestic Corporate Bonds due 2027”). Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.20% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 6.20% per annum, payable annually in arrears.

(o) USD 6.75% Senior Notes due 2023

On 16 July 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,584,037,000) (the “USD 6.75% Senior Notes issued in July 2019”). On 4 September 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD100,000,000 (approximately equivalent to RMB646,009,000) (the “USD 6.75% Senior Notes issued in September 2019”). The USD 6.75% Senior Notes issued in July 2019 and the USD 6.75% Senior Notes issued in September 2019 were consolidated and formed a single series which are referred to as the “USD 6.75% Senior Notes due 2023”. The USD 6.75% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 16 July 2019 at the rate of 6.75% per annum, payable semi-annually in arrears.

(p) RMB 6.80% Public Domestic Corporate Bonds due 2024

On 6 June 2019, Guangzhou Times issued 6.80% public domestic corporate bonds due 2024 in a principal amount of RMB500,000,000 (“RMB 6.80% Public Domestic Corporate Bonds due 2024”). RMB 6.80% Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 10 June 2019 at the rate of 6.80% per annum, payable annually in arrears.

(q) USD 7.625% Senior Notes due 2022

On 21 February 2019, the Company issued 7.625% senior notes due 2022 in a principal amount of USD500,000,000 (equivalent to approximately RMB3,230,046,000) (“USD 7.625% Senior Notes due 2022”). USD 7.625% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 21 February 2019 at the rate of 7.625% per annum, payable semi-annually in arrears. On 27 June 2021, the Company redeemed the USD 7.625% Senior Notes due 2022 partially at a redemption price of USD414,675,000, which equals to 101% of the principal amount of such notes plus the accrued and unpaid interest to the due date. The outstanding principle amount for the USD 7.625% Senior Notes due 2022 is USD100,000,000.

(r) RMB 7.50% Non-Public Domestic Corporate Bonds due 2022

On 24 January 2019, Guangzhou Times issued 7.50% non-public domestic corporate bonds due 2022 in a principal amount of RMB1,100,000,000 (“RMB 7.50% Non-Public Domestic Corporate Bonds due 2022”). Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 7.50% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 25 January 2019 at the rate of 7.50% per annum, payable annually in arrears. On 25 January 2021, Guangzhou Times has repaid all the principal amount and interest.

(s) RMB 8.10% Public Domestic Corporate Bonds due 2023

On 7 December 2018, Guangzhou Times issued 8.10% public domestic corporate bonds due 2023 in a principal amount of RMB1,900,000,000 (“RMB 8.10% Public Domestic Corporate Bonds due 2023”). Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.10% Public Domestic Corporate Bonds due 2023 are listed on the Shanghai Stock Exchange and bear interest from and including 10 December 2018 at the rate of 8.10% per annum, payable annually in arrears.

(t) USD 7.85% Senior Notes due 2021

On 4 June 2018, the Company issued 7.85% senior notes due 2021 (the “USD 7.85% Senior Notes due 2021”) in a principal amount of USD450,000,000 (equivalent to approximately RMB2,907,042,000). The USD 7.85% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 4 June 2018 at the rate of 7.85% per annum, payable semi-annually in arrears. On 8 February 2021, the Company redeemed the USD 7.85% Senior Notes due 2021 partially at a redemption price of USD358,384,444.44, which equals to 101% of the principal amount of such notes plus the accrued and unpaid interest to the due date. On 4 June 2021, the Company has repaid all remaining principal amount and interest.

(u) USD 6.25% Senior Notes due 2021

On 17 January 2018, the Company issued 6.25% senior notes due 2021 (the “USD 6.25% Senior Notes due 2021”) in a principal amount of USD500,000,000 (equivalent to approximately RMB3,230,046,000). The USD 6.25% Senior Notes due 2021 are listed on the Stock Exchange and bear interest from and including 17 January 2018 at the rate of 6.25% per annum, payable semi-annually in arrears. On 25 September 2020, the Company has completed the offer to purchase the USD 6.25% Senior Notes due 2021 in a principal amount of USD207,833,000 for cash. On 17 January 2021, the Company has repaid all remaining principal amount and interest.

(v) USD 6.60% Senior Notes due 2023

On 30 November 2017, the Company issued 6.60% senior notes due 2023 (the “USD 6.60% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB1,938,027,000). The USD 6.60% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.60% per annum, payable semi-annually in arrears.

(w) RMB 5.50% Non-Public Domestic Corporate Bonds due 2022

On 8 September 2017, Guangzhou Times issued 8.20% non-public domestic corporate bonds due 2022 (the “RMB 8.20% Non-Public Domestic Corporate Bonds due 2022”) in a principal amount of RMB1,100,000,000. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.20% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 8.20% per annum, payable annually in arrears. On 8 September 2020, Guangzhou Times adjusted the coupon rate of the bonds to 5.50% (the “RMB 5.50% Non-Public Domestic Corporate Bonds due 2022”).

(x) USD 5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the “USD 5.75% Senior Notes due 2022”) in a principal amount of USD225,000,000 (equivalent to approximately RMB1,453,521,000). USD 5.75% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 26 April 2017 at the rate of 5.75% per annum, payable semi-annually in arrears.

Contingent liabilities

As at 30 June 2021, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB36,380.5 million (31 December 2020: approximately RMB29,867.7 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any outstanding amount from the Group if the amount of outstanding loan exceeds the net foreclosure sales proceeds from the auction. In line with industry practices, the Group does not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

As at 30 June 2021, the Group had provided guarantees in respect of certain bank loans of approximately RMB8,930,975,000 (31 December 2020: approximately RMB6,625,218,000) for its joint ventures and associates.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2021, the Group had not engaged in hedging activities for managing foreign exchange rate risk.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, nor were there any plans authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

Events After the Period

On 27 July 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD100,000,000 (approximately equivalent to RMB646,009,000) (the “USD 5.55% Senior Notes issued in July 2021”). The USD 5.55% Senior Notes issued in July 2021 and the USD 5.55% Senior Notes issued in June 2021 were consolidated and formed a single series which are referred to as the “USD 5.55% Senior Notes due 2024”. Further details are set out in the relevant announcements of the Company dated 20 July 2021, 27 July 2021 and 28 July 2021.

Save as disclosed above, the Group did not have any other material subsequent event after the Period.

Employees and Remuneration Policy

As at 30 June 2021, the Group had 5,315 employees (31 December 2020: 6,698 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund scheme, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the share option scheme on 19 November 2013 (the “Share Option Scheme”) as incentives or rewards for the employees’ contributions to the Group. Further information of the Share Option Scheme is available in the Company’s annual report for the year ended 31 December 2020. For the six months ended 30 June 2021, the Group’s employee benefit expense (excluding Directors’ remuneration) was approximately RMB819.9 million (for the six months ended 30 June 2020: RMB939.9 million).

INTERIM DIVIDEND

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

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HK\$1,477.4 million, which shall be utilized in accordance with the intended use of proceeds set out in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 29 November 2013 (the “Prospectus”).

As at 30 June 2021, in a manner consistent with the proposed allocation in the Prospectus, the Group has fully utilized the proceeds from listing with details as follow:

	Proposed use of net proceeds	Actual use of net proceeds (as at 31 December 2020)	Actual use of net proceeds (as at 30 June 2021)	Proposed use of the remaining unutilized net proceeds (as at 30 June 2021)	Expected timeline for utilizing the remaining net proceeds
a)	Approximately HK\$837.7 million, or approximately 56.7% of the net proceeds for financing new and existing projects, including the land acquisition and construction costs of potential development projects.	Approximately HK\$814.0 million or approximately 55.1% of the net proceeds have been utilised for the original intended use.	All of the earmarked amount has been fully utilized for the original intended purposes.	–	–
b)	Up to approximately HK\$492.0 million, or approximately 33.3% of the net proceeds, for settling part of the outstanding installments under the Restructuring Deed (as defined in the Prospectus dated 29 November 2013).	All of the earmarked amount has been fully utilized for the original intended purpose.	All of the earmarked amount has been fully utilized for the original intended purpose.	–	–
c)	Approximately HK\$147.7 million, or 10% of the net proceeds, for working capital and other general corporate purposes.	The Company has not utilized this portion of the net proceeds.	All of the earmarked amount has been fully utilized for the original intended purposes, of which 3.9% of the net proceeds has been utilized on general corporate purposes and 6.1% of the net proceeds has been utilized on working capital.	–	–

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 June 2021.

The code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors had regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code of Conduct Regarding Directors’ Securities Transactions

The Company has also adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the six months ended 30 June 2021.

The Company has also adopted a code for dealing in the Company’s securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the audit committee of the Company (the “Audit Committee”) which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the Group’s interim report and the unaudited condensed consolidated interim results for the six months ended 30 June 2021 in conjunction with the Company’s management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company, and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2021, the Company repurchased 3,000,000 shares of the Company (the “Shares”) on the Stock Exchange at an aggregate consideration of HK \$30,588,890. All the repurchased Shares have been cancelled. Details of which are as follows:

Date of repurchase	Price per Share		Number of Shares	Total consideration HK\$
	Highest HK\$	Lowest HK\$		
5 February 2021	10.04	9.88	380,000	3,785,920
8 February 2021	10.20	9.97	800,000	8,136,330
9 February 2021	10.20	10.00	697,000	7,090,900
10 February 2021	10.38	10.18	903,000	9,292,600
11 February 2021	10.40	10.24	220,000	2,283,140
Total			3,000,000	30,588,890

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2021.

PUBLICATION OF THE INTERIM RESULTS AND 2021 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.timesgroup.cn), and the 2021 interim report containing all the information required by the Listing Rules will be despatched to our shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times China Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 17 August 2021

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man.

* *For identification purpose only*