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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2021

Revenue	RMB11,013,313,000
Gross profit	RMB2,137,705,000
Profit attributable to equity holders of the Company	RMB226,348,000
Earnings per share	RMB0.01

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2021.

The board of directors (the “**Board**” or the “**Directors**”) of Beijing Capital Land Ltd. (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 and comparative figures of 2020, which have been prepared in accordance with the CAS.

The 2021 interim financial information of the Group has not been audited but has been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board on 4 August 2021.

CONSOLIDATED INCOME STATEMENT

(All amounts in thousands of units of RMB unless otherwise stated)

	Note	Six months ended 30 June 2021 Unaudited	Six months ended 30 June 2020 Unaudited
Revenue	4	11,013,313	9,219,283
Less: Cost of sales	4	(8,755,237)	(6,882,475)
Taxes and surcharges	5	(415,635)	(554,268)
Selling and distribution expenses		(254,704)	(242,751)
General and administrative expenses		(381,409)	(480,537)
Financial expenses		(1,063,143)	(1,361,880)
Including : Interest expenses		(1,219,715)	(1,525,382)
Interest income		222,278	154,768
Add: Other income		27,703	20,506
Investment income		600,070	1,147,189
Including: Share of profit of associates and joint ventures		409,564	19,138
(Losses)/Gains arising from changes in fair value		(131,555)	291,189
Credit impairment loss		12,501	(2,792)
Gains on disposal assets		251	127
Operating profit		652,155	1,153,591
Add: Non-operating income		27,914	19,728
Less: Non-operating expenses		(2,565)	(6,408)
Total profit		677,504	1,166,911
Less: Income tax expenses	7	(255,244)	(147,250)
Net profit		422,260	1,019,661
— Attributable to owners of the Company		226,348	850,221
— Attributable to non-controlling interests		195,912	169,440
Earnings per share for consolidated net profit attributable to the equity holders of the Company	8		
— Basic earnings per share (RMB Yuan)		0.01	0.11
— Diluted earnings per share (RMB Yuan)		0.01	0.11

CONSOLIDATED INCOME STATEMENT (Continued)

(All amounts in thousands of units of RMB unless otherwise stated)

	Six months ended 30 June 2021 Unaudited	Six months ended 30 June 2020 Unaudited
Net profit	<u>422,260</u>	<u>1,019,661</u>
Other comprehensive (losses)/income, net of tax	(115,392)	27,442
Other comprehensive (losses)/income attributable to owners of the Company, net of tax	(115,392)	27,442
Other comprehensive losses that cannot be reclassified to profit or loss	(42,331)	—
1. Changes in fair value of other equity instrument investments	(42,331)	—
Other comprehensive (losses)/income that may be reclassified to profit or loss thereafter	(73,061)	27,442
1. Recycling of changes in fair value of investment properties previously recognized in other comprehensive income or loss	(50,751)	(10,403)
2. Effective portion of gains or losses on hedging instruments in a cash flow hedge	7,765	4,656
3. Currency translation differences	(30,075)	33,189
Other comprehensive income attributable to non-controlling interests, net of tax	—	—
Total comprehensive income	306,868	1,047,103
— Total comprehensive income attributable to owners of the Company	110,956	877,663
— Total comprehensive income attributable to non-controlling interests	<u>195,912</u>	<u>169,440</u>

CONSOLIDATED BALANCE SHEETS

(All amounts in thousands of units of RMB unless otherwise stated)

		30 June 2021	31 December 2020
	<i>Note</i>	Unaudited	Audited
Current assets			
Cash at bank and on hand		38,912,082	37,178,480
Trading financial assets		264,821	348,743
Trade receivables	<i>10</i>	1,583,204	1,495,686
Advances to suppliers		1,484,148	2,111,448
Other receivables		19,321,764	18,050,908
Inventories		100,361,060	102,546,959
Contract assets		5,348,115	5,019,400
Other current assets		3,376,006	2,473,661
		<hr/>	<hr/>
Total current assets		170,651,200	169,225,285
		<hr/>	<hr/>
Non-current assets			
Derivative financial assets		98,391	48,828
Long-term receivables		3,778,686	3,523,207
Long-term equity investments		7,571,366	6,702,922
Other equity instrument investments		54,201	98,457
Other non-current financial assets		5,635,072	5,803,041
Investment properties		19,251,364	18,722,830
Fixed assets		433,538	439,751
Right-of-use assets		1,311,732	1,394,713
Intangible assets		308,794	317,867
Long-term prepaid expenses		619,726	558,680
Deferred income tax assets		2,799,900	2,573,449
Other non-current assets		887,820	1,140,870
		<hr/>	<hr/>
Total non-current assets		42,750,590	41,324,615
		<hr/>	<hr/>
TOTAL ASSETS		213,401,790	210,549,900
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CONSOLIDATED BALANCE SHEETS (Continued)*(All amounts in thousands of units of RMB unless otherwise stated)*

	<i>Note</i>	30 June 2021 Unaudited	31 December 2020 Audited
Current liabilities			
Short-term borrowings		513,094	502,403
Trading financial liabilities		147,741	151,270
Derivative financial liabilities		173,113	238,764
Notes payable		236,917	101,072
Trade payables	<i>11</i>	11,561,475	12,644,877
Contract liabilities		32,769,268	26,221,026
Employee benefits payable		101,951	108,274
Taxes payable		4,417,817	4,904,579
Other payables		12,528,056	13,641,415
Current portion of non-current liabilities		28,386,337	32,027,389
Other current liabilities		1,655,808	1,303,235
Total current liabilities		92,491,577	91,844,304
Non-current liabilities			
Long-term borrowings		42,874,365	41,727,674
Debentures payable		26,752,521	21,427,486
Lease liabilities		1,268,114	1,339,577
Long-term payables		6,607,201	4,022,380
Provisions		4,629	3,087
Deferred income tax liabilities		3,017,563	2,855,040
Other non-current liabilities		80,749	416
Total non-current liabilities		80,605,142	71,375,660
Total liabilities		173,096,719	163,219,964
Equity			
Share capital		4,362,941	4,362,941
Other equity instruments		5,912,942	12,392,272
Including: Perpetual bonds		5,912,942	12,392,272
Capital reserve		262,434	553,105
Other comprehensive income		116,126	231,518
Surplus reserve		829,151	829,151
Retained earnings		10,747,920	10,708,575
Total equity attributable to owners of the Company		22,231,514	29,077,562
Non-controlling interests		18,073,557	18,252,374
Total equity		40,305,071	47,329,936
TOTAL LIABILITIES AND EQUITY		213,401,790	210,549,900

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

NOTES:

1. BASIS OF PREPARATION

The financial statements were prepared in accordance with the Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereinafter collectively referred to as “**the Accounting Standards for Business Enterprises**” or “**CAS**”).

The financial statements were prepared on the basis of going concern.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

In 2020, the Ministry of Finance of the PRC promulgated the “Notice on Printing and Distributing the Regulations on Accounting Treatment of Rental Concessions Related to the COVID-19” (Caikuai [2020] No. 10). For the rent reduction or exemption that was directly caused by the COVID-19, reached with the lessee and the lessor, and only for the rent reduction before 30 June 2021, the Group has referred to the simplified method of the notice above when preparing the financial statements for the six months ended 30 June 2021.

3. SEGMENT INFORMATION

The reporting segment of the Group is a business unit that provides different products or services or operates in different regions. Since various businesses or regions require different market strategies, the Group independently manages the production and operation activities of each reporting segment, evaluates its operating results separately, and decides to allocate resources to it and evaluate its performance.

For the six months ended 30 June 2021 and as at 30 June 2021, the Group has total eight reporting segments, which are:

- Beijing segment, responsible for property development, sales and related business in Beijing.
- Eastern China segment, responsible for property development, sales and related business in East China.
- Tianjin segment, responsible for property development, sales and related business in Tianjin.
- Chengdu & Chongqing segment, responsible for property development, sales and related business in Chengdu and Chongqing.

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

- Other property development and sales segments, responsible for property development, sales and related businesses in other regions, mainly including the Group's property development, sales and related businesses in Shenyang, Shenzhen, Foshan, Xiamen, Wuhan and Zhengzhou.
- Outlets business segment, responsible for the development and operation of the Capital Outlets complex in each region.
- Other investment real estate segments, responsible for the development and operation of investment properties other than Capital Outlets.
- The primary land development segment (including shantytown reconstruction) is responsible for the primary land development and shantytown reconstruction business in the Beijing, Tianjin and Hebei region.

Inter-segment transfer prices are determined by reference to the prices used for sales to third parties.

Assets are allocated based on the operation of the segment and the location of the assets, and liabilities are allocated based on the operation of the segment. The expenses attributable to each segment are borne by each segment directly.

(1) Segment information for the six months ended 30 June 2021 and as at 30 June 2021

	Property development, sales and related business					Investment properties		Primary land development	Unallocated	Inter-segments elimination	Total
	Beijing	Eastern China	Tianjin	Chengdu & Chongqing	Others	Outlets	Others				
Revenue from external customers	3,375,471	4,075,845	42,287	1,389,549	680,381	489,226	94,367	580,618	285,569	—	11,013,313
Inter-segment revenue	—	—	—	—	—	—	—	—	463,661	(463,661)	—
Contract revenue from customers:											
Recognized at a point in time	3,332,826	3,876,380	42,287	1,389,549	555,591	—	—	7,081	251,707	—	9,455,421
Recognized over time	39,100	199,465	—	—	110,179	—	—	571,095	—	—	919,839
Cost of sales from main operations	(2,713,907)	(3,305,339)	(64,730)	(1,275,453)	(474,776)	(131,750)	(6,249)	(531,619)	(141,594)	87,078	(8,558,339)
Interest income	19,389	11,537	8,410	2,430	15,450	2,354	672	720	161,316	—	222,278
Interest expense	(123,577)	(23,874)	(20,942)	(21,018)	(112,206)	(107,308)	(65,611)	(160,655)	(658,632)	74,108	(1,219,715)
Share of profit/(loss) of associates and joint ventures	95,729	101	(2,850)	—	(2,648)	—	—	1,549	317,683	—	409,564
Credit impairment loss	5	—	—	—	—	—	—	—	12,496	—	12,501
Depreciation and amortization	(2,809)	(44)	(420)	(97)	(40)	(35,942)	(51)	—	(26,268)	—	(65,671)
Total Profit/(loss)	309,735	639,369	38,187	10,236	18,871	259,426	(293)	(116,352)	(325,242)	(156,433)	677,504
Income taxes expenses	(48,740)	(143,918)	(12,880)	(2,697)	(20,738)	(60,070)	(8,747)	(5,470)	8,908	39,108	(255,244)
Net profit/(loss)	260,995	495,451	25,307	7,539	(1,867)	199,356	(9,040)	(121,822)	(316,334)	(117,325)	422,260
Total assets	46,299,966	38,565,976	23,353,221	14,969,820	51,767,048	19,206,269	4,083,242	21,341,789	113,446,487	(119,632,028)	213,401,790
Total liabilities	(43,851,820)	(33,227,153)	(17,866,456)	(12,099,866)	(41,006,927)	(15,462,078)	(2,223,177)	(15,173,385)	(111,589,383)	119,403,526	(173,096,719)
Long-term Equity investments in associates and joint ventures	956,663	229,641	1,516,149	—	21,273	—	—	338,517	4,509,123	—	7,571,366
(Decrease)/Increase in non-current assets (i)	(1,271)	(244,574)	6,116	36,442	(49,780)	507,032	4,831	(212)	(20,321)	—	238,263

- (i) Non-current assets exclude financial assets, long-term equity investments and deferred income tax assets.

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

(2) Segment information for the six months ended 30 June 2020 and as at 31 December 2020

(a) Segment information for the six months ended 30 June 2020:

	Property development, sales and related business					Investment properties		Primary land	Unallocated	Inter-	Total
	Beijing	Eastern	Chengdu &		Others	Outlets	Others	development		segments	
		China	Tianjin	Chongqing							
Revenue from external customers	867,434	4,420,158	1,162,454	1,221,167	208,358	225,747	42,950	795,150	275,865	—	9,219,283
Inter-segment revenue	—	—	—	—	246,518	1,822	—	—	7,615	(255,955)	—
Contract revenue from customers:											
Recognized at a point in time	867,434	4,382,992	1,162,454	1,221,167	176,483	—	—	—	258,546	—	8,069,076
Recognized over time	—	37,166	—	—	31,875	—	—	795,150	—	—	864,191
Cost of sales from main operations	(516,434)	(3,693,416)	(728,845)	(725,111)	(163,606)	(114,779)	(5,734)	(705,623)	(100,875)	—	(6,754,423)
Interest income	8,529	10,218	6,324	2,903	6,852	1,450	249	807	117,436	—	154,768
Interest expense	(67,264)	(90,514)	(32,353)	(9,803)	(16,276)	(103,096)	(17,811)	(147,082)	(1,344,091)	302,908	(1,525,382)
Share of profit/(loss) of associates and joint ventures	29,904	(3,118)	3,414	—	(2,156)	(1,455)	—	—	(7,451)	—	19,138
Credit impairment loss	—	—	—	—	—	—	—	—	(2,792)	—	(2,792)
Depreciation and amortization	(99)	(133)	(419)	(68)	(69)	(28,909)	(72)	—	(32,730)	—	(62,499)
Total Profit/(loss)	158,733	431,185	406,845	321,604	939,349	(59,864)	(2,749)	(59,865)	(998,899)	30,572	1,166,911
Income taxes expenses	(57,373)	(111,709)	(102,591)	(79,998)	(90,625)	(14,975)	(3,144)	(10,536)	331,344	(7,643)	(147,250)
Net profit/(loss)	101,360	319,476	304,254	241,606	848,724	(74,839)	(5,893)	(70,401)	(667,555)	22,929	1,019,661
Increase in non-current assets (i)	911,977	326,783	469,005	58,285	796,268	442,418	27,020	30,058	591,313	—	3,653,127

(i) Non-current assets exclude financial assets, long-term equity investments and deferred income tax assets.

(b) Segment information as at 31 December 2020:

	Property development, sales and related business					Investment properties		Primary land	Unallocated	Inter-	Total
	Beijing	Eastern	Chengdu &		Others	Outlets	Others	development		segments	
		China	Tianjin	Chongqing							
Total assets	51,778,736	36,236,046	21,661,303	14,762,207	46,252,454	18,488,023	2,987,130	20,494,591	116,917,017	(119,027,607)	210,549,900
Total liabilities	(45,796,928)	(29,362,875)	(15,572,438)	(10,760,626)	(33,937,388)	(14,446,878)	(1,118,025)	(14,147,447)	(116,929,240)	118,851,881	(163,219,964)
Long-term equity investments in associates and joint ventures	866,978	229,540	1,518,999	—	23,921	—	—	311,244	3,752,240	—	6,702,922

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

The Group's total revenue from external customers in China and overseas countries and regions, and its total non-current assets in China and overseas countries and regions, other than financial assets, long-term equity investments and deferred income tax assets, were disclosed as below:

Revenue from external customers:

	Six months ended 30 June 2021	Six months ended 30 June 2020
China	11,012,290	9,216,552
France	<u>1,023</u>	<u>2,731</u>
Total	<u><u>11,013,313</u></u>	<u><u>9,219,283</u></u>

Total non-current assets:

	30 June 2021	31 December 2020
China	22,645,718	22,396,833
France	<u>167,256</u>	<u>177,878</u>
Total	<u><u>22,812,974</u></u>	<u><u>22,574,711</u></u>

Most business of the Company and its principal subsidiaries are operated in China. For the six months ended 30 June 2021, the Group has revenue of RMB1,023,000 (for the six months ended 30 June 2020: RMB2,731,000) from overseas.

For the six months ended 30 June 2021, the Group's revenue generated from a client in the primary land development segment amounted to RMB194,299,000, accounting for 1.8% revenue of the Group (For the six months ended 30 June 2020: RMB379,958,000, accounting for 4.1% revenue of the Group).

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

4. REVENUE AND COST OF SALES

	Six months ended 30 June 2021	Six months ended 30 June 2020
Revenue from main operations (a)	10,719,373	9,013,497
Revenue from other operations (b)	<u>293,940</u>	<u>205,786</u>
Total	<u>11,013,313</u>	<u>9,219,283</u>

	Six months ended 30 June 2021	Six months ended 30 June 2020
Cost of sales from main operations (a)	8,558,339	6,754,423
Cost of sales from other operations (b)	<u>196,898</u>	<u>128,052</u>
Total	<u>8,755,237</u>	<u>6,882,475</u>

(a) Revenue and cost of sales from main operations

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of properties	9,500,736	7,830,767	7,779,698	5,825,127
Primary land development	571,095	531,619	795,150	705,623
Rental income from investment properties	555,461	137,999	298,451	120,513
Others	<u>92,081</u>	<u>57,954</u>	<u>140,198</u>	<u>103,160</u>
Total	<u>10,719,373</u>	<u>8,558,339</u>	<u>9,013,497</u>	<u>6,754,423</u>

(b) Revenue and cost of sales from other operations

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Temporary rental	82,592	55,192	56,606	35,587
Merchandising	146,574	127,462	86,647	72,103
Other operations	<u>64,774</u>	<u>14,244</u>	<u>62,533</u>	<u>20,362</u>
Total	<u>293,940</u>	<u>196,898</u>	<u>205,786</u>	<u>128,052</u>

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

5. TAXES AND SURCHARGES

	Six months ended 30 June 2021	Six months ended 30 June 2020
Land appreciation tax (“LAT”)	295,264	434,026
Others	120,371	120,242
Total	<u>415,635</u>	<u>554,268</u>

6. GROSS PROFIT

	Six months ended 30 June 2021	Six months ended 30 June 2020
Operating revenue	11,013,313	9,219,283
Less: Cost of sales	(8,755,237)	(6,882,475)
Taxes and surcharges (excluding LAT)	(120,371)	(120,242)
Gross profit	<u>2,137,705</u>	<u>2,216,566</u>

7. INCOME TAX EXPENSE

PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 25% (For the six months ended 30 June 2020: 25%).

Certain subsidiaries in Hong Kong are subject to Hong Kong profits tax at the prevailing tax rate of 16.5%.

Withholding income tax is charged against income from taxable dividends of non-resident enterprises in mainland China and transfer of equity interest in mainland China with the tax rate of 5%–10% according to the relevant laws and regulations in the PRC.

The amount of taxation charged to the consolidated income statement represents:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Current income tax	302,255	458,984
Deferred income tax	(47,011)	(311,734)
Total	<u>255,244</u>	<u>147,250</u>

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

Reconciliations from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses are listed below:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Profit before income tax	<u>677,504</u>	<u>1,166,911</u>
Income tax expenses calculated at applicable tax rates (25%)	169,376	291,728
Impact of income tax at different tax rates	6,653	—
Share of net profit or loss of investees under equity method	(58,739)	(4,785)
Business combination other than common control	—	(170,101)
Other loss/(profit) not subject to tax	128,941	34,495
Distribution eligible for tax deduction	(113,714)	(134,648)
Deductible losses for which no deferred income tax asset was recognized	128,236	110,725
Utilisation of deductible losses and deductible temporary differences for which no deferred income tax asset was recognized in previous year	(10,184)	—
Expenses, costs and losses not deductible	3,853	19,138
Others	<u>822</u>	<u>698</u>
Income tax expenses	<u>255,244</u>	<u>147,250</u>

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Consolidated net profit attributable to owners the Company	226,348	850,221
Less: Distribution to other equity instruments	<u>(187,003)</u>	<u>(363,902)</u>
Consolidated net profit attributable to ordinary shareholders of the Company	<u>39,345</u>	<u>486,319</u>
Weighted average number of ordinary shares issued (in thousands) (i)	4,362,941	4,276,801
Basic earnings per share (RMB yuan per share)	<u>0.01</u>	<u>0.11</u>

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

- (i) In December 2019, the Company issued 5 rights shares for every 10 existing shares comprising H share rights issue at HK\$1.87 per H rights share; domestic share rights issue at RMB1.68 per domestic rights share and non-H foreign share rights issue at RMB1.68 per non-H foreign rights share (hereinafter “**rights issue**”). As of 30 June 2020, the rights issue has been completed and the proceeds of rights issue has been fully received. The number of shares has increased from 3,027,960,000 to 4,362,940,850.

For the six months ended 30 June 2021, diluted earnings per share are equal to basic earnings per share (For the six months ended 30 June 2020, diluted earnings per share basically equal to basic earnings per share).

9. DIVIDEND

The Board have resolved not to declare any interim dividend in respect of the six months ended 30 June 2021 (Six months ended 30 June 2020: Nil).

10. TRADE RECEIVABLES

	30 June 2021	31 December 2020
Trade receivables	1,591,585	1,503,861
Less: provision for bad debts (i)	<u>(8,381)</u>	<u>(8,175)</u>
Net	<u>1,583,204</u>	<u>1,495,686</u>

Most sales of the Group are in the form of cash and advanced payment. Other sales are collected according to the agreed terms on sales contract. The aging of trade receivables based on their recording dates is analyzed as follows:

	30 June 2021	31 December 2020
Within 1 year	430,424	309,503
1 to 2 years	300,372	306,803
2 to 3 years	24,532	79,473
Over 3 years	<u>836,257</u>	<u>808,082</u>
Total	<u>1,591,585</u>	<u>1,503,861</u>

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

(i) **Provision for doubtful debts**

For accounts receivable, regardless of whether there is a significant financing component, the Group measures the loss provision based on the entire duration of the expected credit loss.

The amount receivable from China Reinsurance (Group) Corporation was RMB7,000,000. The Group considered that the receivable was difficult to recover, so it made a full provision for bad debt in the previous year.

As at 30 June 2021, analysis of accounts receivable in combination with provision for bad debts is as follows:

	Carrying amount	Expected credit lifetime loss rates (%)	Provision for doubtful debts
Receivables from primary land development	800,000	0.12	(959)
Receivables from sales of properties and leasing	<u>784,585</u>	0.05	<u>(422)</u>
Total	<u><u>1,584,585</u></u>		<u><u>(1,381)</u></u>

11. TRADE PAYABLES

The aging analysis of trade payables based on their recording dates is as follows:

	30 June 2021	31 December 2020
Within 1 year	10,472,877	11,818,235
Over 1 year	<u>1,088,598</u>	<u>826,642</u>
Total	<u><u>11,561,475</u></u>	<u><u>12,644,877</u></u>

12. NET CURRENT ASSETS

	30 June 2021	31 December 2020
Current assets	170,651,200	169,225,285
Less: Current liabilities	<u>(92,491,577)</u>	<u>(91,844,304)</u>
Net current assets	<u><u>78,159,623</u></u>	<u><u>77,380,981</u></u>

(ALL AMOUNTS IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

13. TOTAL ASSETS LESS CURRENT LIABILITIES

	30 June 2021	31 December 2020
Total assets	213,401,790	210,549,900
Less: Current liabilities	<u>(92,491,577)</u>	<u>(91,844,304)</u>
Total assets less current liabilities	<u>120,910,213</u>	<u>118,705,596</u>

14. FINANCIAL GUARANTEES

The Group has arranged bank facilities for certain purchasers of its properties and has provided guarantees to secure the repayment obligations of such purchasers.

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be expired when relevant property ownership certificates are lodged with the various banks by the purchasers. As at 30 June 2021, outstanding guarantees amounted to RMB8,056,426,000 (31 December 2020: RMB11,666,064,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Dividend

During the first half of 2021, the Group's revenue totaled RMB11,013,313,000 (first half of 2020: RMB9,219,283,000), an increase of approximately 19% from the same period last year. Operating profit decreased approximately 43% year-on-year to RMB652,155,000 (first half of 2020: RMB1,153,591,000). Profit attributable to owners of the Company decreased approximately 73% year-on-year to RMB226,348,000 (first half of 2020: RMB850,221,000). Basic earnings per share were RMB0.01 (first half of 2020: RMB0.11) The Board resolved not to declare any interim dividend in respect of the six months ended 30 June 2021.

PROPERTY SALES PERFORMANCE

During the first half of 2021, the Group continued to pursue a strategy of quality sales and placed additional emphasis on “quality” and “returns” when signing sales contracts. During the first half of 2021, the total contracted sales area of the Group's projects was 1,743,000 sq.m.. Total contracted sales were RMB40.27 billion, a rise of 19.5% year-on-year, and the average selling price was RMB23,000 per sq.m.. In particular, self-operated projects accounted for nearly 80% in contracted sales.

During the period, contracted sales in the Company's three key metropolitan areas, namely the Beijing-Tianjin-Hebei region, the Yangtze River Delta region and the Guangdong-Hong Kong-Macao Greater Bay Area, were RMB29.82 billion, accounting for roughly 74.0% of the total. Sales in other cities and the Yangtze River Delta region accounted for roughly 50% of total contracted sales, representing year-on-year increase of 6 percentage points. The rise reflects the Group's continued efforts to diversify project deployments in multiple regions. During the first half of 2021, the Group's new projects all achieved sell-through rates over 70%. In particular, the Hangzhou Xi Rui Jiang Nan project immediately sold out after launch. Other prominent projects, including the Shanghai Xi Yue Fang Fei project and the Chongqing Xi Yue Xue Fu project, achieved sell-through rates over 90%. In particular, the Shanghai Xi Yue Fang Fei, was a best-selling project in the region.

During the period, the Group took multiple measures to enhance cash collection, and further strengthened the evaluation of and incentives related to cash collection. With detailed breakdown of the cash collection process, The Group also worked closely with buyers and bank side with preparation in advance and regular monitoring. Against the backdrop of continuously tightening industry regulations, total cash collections from contracted sales were RMB 17.17 billion on a consolidated basis, up 65.1% year-over-year.

City	Approximate Contracted Sales Area (sq.m.)	Approximate Contracted Average Selling Price (RMB/sq.m.)	Approximate Contracted Sales Revenue (RMB'000)
Beijing-Tianjin-Hebei Region	456,895	40,520	18,513,446
Yangtze River Delta	409,699	23,355	9,568,367
Guangdong-Hong Kong-Macao Region	85,172	20,428	1,739,915
Others	<u>790,768</u>	<u>13,217</u>	<u>10,451,843</u>
Total	<u>1,742,534</u>	<u>23,112</u>	<u>40,273,571</u>

COMMERCIAL PROPERTY

During the first half of 2021, the domestic retail market continued to recover. The retail market grew steadily, consumption in the service sector recovered significantly, online consumption rose rapidly, and offline consumption continued to improve. The Group's outlet business benefited from momentum in economic growth and consumer demand, along with a normalization of activity as the Covid-19 outbreak in China was brought under control. The Group successfully drove rapid growth in turnover and customer traffic at BCL Outlets by promoting its projects at various festivals and building up an image of “**mini vacation and destination consumption**”. In addition, the Group strengthened the operations of its self-operated products, with sales up by 70% year-over-year. In addition, the Company continued to deepen its digitalization and innovation, providing integrated online and offline services to nearly 3.61 million members. In particular, online store sales increased 110% year-over-year.

During the period, the Group's outlets generated turnover of RMB5.2 billion. Customer traffic reached 24.0 million. This represented year-over-year growth of 84% and 64%, respectively.

PROPERTY DEVELOPMENT

In the first half of 2021, the Group, together with its joint ventures and associated companies, completed the construction of projects with an aggregate GFA of approximately 1.4298 million sq.m..

Project	Type	Approximate Completed GFA (sq.m.)	Attributable Interest
Xi Rui Jin Hai	Hotel	39,506	33%
Wan He Fei Li	Residential	68,427	30%
Xijiangyue	Residential	44,736	30%
Yue Xin Hui	Residential/Commercial	229,474	100%
Country Garden Langhui	Residential	52,807	24%
Xi Rui Tian Zhu	Residential/Commercial	254,439	50%
Tian Yue Jia Ling	Residential	126,810	47.4%
Xi Rui Li Cheng	Residential	17,142	50%
Wuhan Capital Outlets	Commercial	107,565	69.41%
Xi Rui Hui	Residential	51,935	100%
Wuqing Site 06-02	Residential	136,546	50%
Jiangyin Yuyue Project	Residential	147,465	100%
Nanning Capital Outlets	Commercial	15,228	70.11%
Xi Yue Wan	Residential	47,462	100%
Xi Yue Tai	Residential	35,698	100%
Xanadu Jinjiang	Residential	<u>54,554</u>	100%
Total		<u><u>1,429,794</u></u>	

LAND INVESTMENT

During the first half of 2021, the Group actively responded to the new policy of centralized land supply in various regions and adhered to a prudent investment strategy by investing only in the best projects. During the period, after careful preliminary research and preparations, the Group acquired two new high-quality projects in the Songjiang and Qingpu districts of Shanghai. The total investment was RMB3.37 billion, the total GFA was 266,000 sq.m., and the average premium was just 8.7%.

During the period, the Group acquired a primary land development project in Tongxiang City, Zhejiang Province through equity acquisition. The project is located in the High-Speed Rail New Town in the Economic Development Zone of Tongxiang City, with a total area of 3.48 million sq.m.. This is the Group's first primary land development project outside of the Beijing-Tianjin-Hebei region.

As of 30 June 2021, the Group had a total land bank with an aggregate GFA of 15.75 million sq.m., and a total ground area of 11.99 million sq.m.. The aggregate GFA attributable to the Group's equity interests was 10.24 million sq.m., and the ground area attributable to the Group's equity interests was 7.79 million sq.m. of the total land bank. 87% is for property development projects, and 13% is for investment properties and other uses. The existing land bank is of optimal scale and sufficient for the Group's development over the next three years.

HUMAN RESOURCES

As of 30 June 2021, the Group employed 4,129 professionals.

The property development division employed 3,030 professionals who had a median age of 35. In terms of education level, 78.9% employees held a bachelor's degree or higher, and 13% employees held a master's degree or higher. 15.1% employees have intermediate or senior professional titles.

The property management division employed 1,099 professionals who had a median age of 36.4. In terms of education level, 6.6% employees held a bachelor's degree or higher.

In the first half of 2021, following its operational goal of "quality growth", the Group promoted consolidation and restructuring within the Group to further optimize and strengthen its business structure. It also strengthened synergies between its innovative business segments, such as the cultural and creative business lines, which contributed to BCL's core operations in key regions.

In line with its goal of "high-quality growth", the Group adhered to "value contribution" as a guiding principle and constantly optimized its performance assessment and incentive systems through upgrades and innovation in the first half of 2021. It actively promoted risk sharing and win-win partnerships that are built on collaboration and innovation, and leveraged effective performance evaluation and rewards to guide and motivate teams, thus providing strong team support for the Company to meet its performance targets.

The Group consistently adhered to its belief that “talent is the most crucial capital” and constantly worked to develop and optimize a workforce that is needed to meet the Group’s strategic needs. While maintaining team stability, the Group actively tapped into the full potential of its employees by expanding internal talent mobility and promotion opportunities. Building such internal mobility helped the Group increase the proportion of promotions of internal talent, optimize talent deployment, and increase team dynamics.

PRIVATIZATION OFFER

On 9 July 2021, the Company announced that Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司) (the “**Capital Development**”), a wholly-owned subsidiary of Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司) (“**Capital Group**”), the controlling shareholder of the Company, and the Company entered into a Merger Agreement, pursuant to which Capital Development and the Company will merge, subject to the terms and conditions of the Merger Agreement, including the Pre-Condition and the Conditions.

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Condition and the Conditions, Capital Development will pay the Cancellation Price in the amount of (a) HK\$2.80 per H Share to the H Shareholders in cash; (b) RMB2.334080 per Non-H Foreign Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate of HK\$1: RMB0.83360 which is the parity rate of Hong Kong Dollar to RMB as at the date of 9 July 2021 as announced by the People’s Bank of China, to the Non-H Foreign Shareholders in cash; and (c) RMB2.334080 per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the foresaid Exchange Rate, to the Domestic Shareholder, which will be satisfied through the issuance of registered capital of Capital Development to the Domestic Shareholder as described in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” of the announcement.

After completion of the Merger, Capital Development will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC. For details, please refer to the Company’s announcement dated 9 July 2021.

OUTLOOK

Looking out to the second half of 2021, although the factors further supporting economic recovery and improvement are gradually increasing, the Chinese economy will continue to face challenges, uncertainty and instability, and an uneven economic recovery. For the Chinese real estate industry, regulatory policies are unlikely to relax in the short term. The stringent regulations of the property market will remain unchanged in some major cities, and financial regulations for the industry will continue to tighten. Therefore, industry sales growth is expected to narrow, and regional performance will be clearly differentiated. Under the “Two Centralized” land transfer policy, the land market will be dramatically differentiated among cities. The land market in core cities will remain very hot, which will drive increasingly fierce competition in the industry and accelerate a survival of the fittest. While

maintaining a prudent investment and operation strategy for traditional businesses, it will be vital for real estate companies to actively seek business transformation and upgrades to create new growth drivers.

Against this backdrop, the Group will continue to uphold “strengthening business foundation, pursuing progress while ensuring stable development” as its general principle, and pursue healthy, long-term and sustainable development by implementing the following strategies:

1. The Group will adhere to a “fast turnover” strategy and further execute “369 project construction standards”, while accelerating destocking, and further improving the quality and efficiency of contracted sales. The Group will also accelerate the implementation of its “Panshi Plan”, a management reform program, and upgrade its “Intelligently Made 2025” operating strategy, to accelerate inventory turnover and sell-through rates by improving the management of operations and enhancing product quality. Furthermore, the Group will reinforce cash collection while implementing strict cost controls, live within its means in terms of project deployment and cost, and strengthen employee performance evaluation and incentives for cash collection;
2. The Group will continue to implement a prudent investment strategy, strictly control the pace of investments, and make targeted investments by improving regional market know-how, setting strict investment criteria, selecting curated investment targets, and allocating resources based on market needs. In terms of land acquisition, the Group will leverage synergies across its diversified business and continue to acquire land with a non-competitive and differentiated approach to further advance its “Property Plus” land acquisition model. Therefore, the Group will make solid use of its portfolio of assets by adding primary land projects, and further adjust and optimize its business planning and asset structure;
3. The Group will proactively cultivate its innovative business, leverage the advantages of its diversified businesses, tap into the value of its portfolio of assets, and further enhance its asset operation and management capabilities. By integrating internal with external resources, the Group aims to build an asset-light business platform to achieve a sustainable, profitable and innovative business model. In addition, by expanding and integrating resources in the industry, and enhancing the benchmarking of its branded projects, the Group will enhance resource acquisition through synergies among its business lines in a bid to empower its core secondary development business through a diversified lineup of innovative business operations;
4. The Group will proactively expand funding channels and secure sufficient capital reserves by leveraging its credit strength and access to capital markets while decreasing the scale of debt and curbing leverage. Meanwhile, the Group will take multiple measures to boost liquidity, optimize its asset structure, and further enhance its ability to manage risks. Lastly, by exploiting the combined strengths of “**finance + property**” of Prime Golden Capital, the Group aims to facilitate steady high-quality growth with the help of high-quality financing.

FINANCIAL ANALYSIS

In the first half of 2021, the operating revenue of the Group was approximately RMB11,013,313,000 (first half of 2020: RMB9,219,283,000), representing an increase of approximately 19% as compared with the first half of 2020. Such increase in operating revenue was mainly attributable to the increase in sales revenue of property development during the period. In the first half of 2021, the Group achieved a gross profit margin after business tax of approximately 19%, representing a decrease of 5 percentage points as compared to 24% in the first half of 2020, which was mainly attributable to a decrease of gross profit margin in property development and sale business during the period.

In the first half of 2021, the operating profit of the Group was approximately RMB652,155,000 (first half of 2020: RMB1,153,591,000), representing a decrease of approximately 43% as compared with the first half of 2020.

1. Financial Resources, Liquidity and Liability Position

During the period under review, the Group maintained a healthy liquidity position and a reasonable appropriation of financial resources. As at 30 June 2021, the Group's total assets were RMB213,401,790,000 (31 December 2020: RMB210,549,900,000), of which current assets were RMB170,651,200,000 (31 December 2020: RMB169,225,285,000) and non-current assets were RMB42,750,590,000 (31 December 2020: RMB41,324,615,000); the total liabilities were RMB173,096,719,000 (31 December 2020: RMB163,219,964,000), of which current liabilities were RMB92,491,577,000 (31 December 2020: RMB91,844,304,000) and non-current liabilities were RMB80,605,142,000 (31 December 2020: RMB71,375,660,000); and the total equity was RMB40,305,071,000 (31 December 2020: RMB47,329,936,000).

The Group has sound liquidity and solvency. Current ratio of the Group as at 30 June 2021 was 1.85 (31 December 2020: 1.84).

As at 30 June 2021, the Group's cash at bank and on hand amounted to RMB38,912,082,000 (31 December 2020: RMB37,178,480,000), which represented sufficient funds for operations. As at 30 June 2021, loans and debentures of the Group amounted to RMB102,766,071,000 (31 December 2020: RMB97,374,933,000) in aggregate, of which the long-term loans and debentures amounted to RMB74,934,087,000 (31 December 2020: RMB65,877,540,000). The bank loans were mainly used to satisfy the capital requirements of the Group's property development projects.

As at 30 June 2021, the Group's gearing ratio was approximately 81% (31 December 2020: 78%). The gearing ratio of the Group is calculated as the total liabilities divided by the total assets.

2. Changes in major subsidiaries, principal jointly controlled entities and associates

During the period, the Company acquired 50% equity interest of Tongxiang New Economy City Primary Land Development Project Company* (桐鄉新經濟城一級開發項目公司). Tongxiang Ping An New Economy City Development Company Limited* (桐鄉平安新經濟城開發有限公司) is a joint venture of the Company.

During the period, the Company acquired 9.15%, 40% and 40% equity interests of the project companies of B3, B4 and B5 plots of Wuzhen Project, respectively. After the completion of the acquisition, Tongxiang Anyue Real Estate Co., Ltd.* (桐鄉市安悅置業有限公司) became an associate of the Company, and Tongxiang Anbo Real Estate Co., Ltd* (桐鄉市安博置業有限公司) and Tongxiang Anrun Real Estate Co., Ltd* (桐鄉市安潤置業有限公司) became joint ventures of the Company.

3. Entrusted Deposits and Overdue Time Deposits

As of 30 June 2021, the Group did not have any entrusted deposits in financial institutions in the PRC. Most of the Group's cash was held in commercial banks in the PRC in compliance with applicable laws and regulations. The Group has no bank deposits which are not recoverable upon maturity.

4. Borrowings

As at 30 June 2021, bank borrowings of RMB38,307,477,000 (31 December 2020: RMB40,493,849,000) were from credit facilities obtained by the Group, of which, RMB35,561,172,000 (31 December 2020: RMB38,686,244,000) were secured by guarantees provided by the Group for its subsidiaries; and RMB2,746,305,000 (31 December 2020: RMB1,807,605,000) were general credit facilities obtained by the Group.

As at 30 June 2021, the Group's guaranteed bank borrowings were RMB800,000,000 (31 December 2020: nil), of which, RMB800,000,000 (31 December 2020: nil) were guaranteed by Capital Group, the controlling shareholder of the Company.

As at 30 June 2021, the Group's mortgaged bank borrowings amounted to RMB10,604,057,000 (31 December 2020: RMB10,390,733,000), of which, RMB5,402,504,000 (31 December 2020: RMB5,209,004,000) were secured by certain relevant properties under development; RMB381,000,000 (31 December 2020: RMB162,000,000) were secured by investment properties and land use rights; RMB1,300,000,000 (31 December 2020: RMB1,435,000,000) were secured by guarantees provided by the Group for its subsidiaries and by certain relevant properties under development of the subsidiaries; RMB1,572,220,000 (31 December 2020: RMB1,639,496,000) were secured by guarantees provided by the Group for its subsidiaries and by investment properties and land use rights of the subsidiaries; RMB1,948,333,000 (31 December 2020: RMB1,945,233,000) were secured by intercompany guarantees between subsidiaries of the Group and by certain relevant properties under development of the subsidiaries.

As at 30 June 2021, the Group's pledged bank borrowings amounted to RMB3,050,500,000 (31 December 2020: RMB3,660,000,000), of which, RMB2,450,500,000 (31 December 2020: RMB3,660,000,000) were secured by the trade receivables of subsidiaries of the Group; RMB600,000,000 (31 December 2020: nil) were secured by the equity of subsidiaries of the Group.

As at 30 June 2021, the Group's mortgaged and pledged bank borrowings were RMB1,200,000,000 (31 December 2020: nil), which were secured by guarantees provided by the Group for its subsidiaries, investment properties and land use rights of the subsidiaries of the Group and the entitlement to trade receivables of the subsidiaries of the Group.

As at 30 June 2021, the Group's guaranteed and mortgaged bank borrowings were RMB500,000,000 (31 December 2020: nil), which were secured by guarantees provided by its partner and the Group, and relevant properties under development of the subsidiaries of the Group.

5. Corporate Bonds

In April 2016, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB2,300,000,000 with an interest rate of 4.50% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year. The bonds had been fully settled in April 2021.

In June 2016, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB1,700,000,000 with an interest rate of 4.40% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year. The bonds had been fully settled in June 2021.

In July 2016, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 4.10% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year. The current balance is RMB380,000,000.

In April 2018, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB2,000,000,000 with an interest rate of 3.84% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year. The bonds had been fully settled in June 2021.

In April 2018, the Group issued 3-year RMB denominated private bonds in a principal amount of RMB1,000,000,000 with an interest rate of 2.95% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year. The bonds had been fully settled in April 2021.

In July 2018, the Group issued 3-year RMB denominated private bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 3.10% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year. The current balance is RMB81,000,000.

In July 2018, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB500,000,000 with a prevailing interest rate of 5.94% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In September 2018, the Group issued 5-year RMB denominated listed corporate bonds in a principal amount of RMB2,500,000,000 with a prevailing interest rate of 4.89% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In September 2018, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 6.00% per annum.

In December 2018, the Group issued 3-year RMB denominated listed corporate bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 4.16% per annum.

In December 2018, the Group issued 5-year RMB denominated listed corporate bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 4.50% per annum.

In January 2019, the Group issued 3-year RMB private bonds in a principal amount of RMB1,500,000,000 with an interest rate of 6.00% per annum.

In April 2019, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB1,500,000,000 with an interest rate of 4.30% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year. The bonds had been fully settled in April 2021.

In April 2019, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 4.58% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In May 2019, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB3,460,000,000 with a prevailing interest rate of 4.37% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In July 2019, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB2,130,000,000 with a prevailing interest rate of 4.26% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In September 2019, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB2,000,000,000 with an interest rate of 5.40% per annum.

In March 2020, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB790,000,000 with a prevailing interest rate of 3.65% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In April 2020, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB1,500,000,000 with an interest rate of 3.40% per annum.

In May 2020, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB3,000,000,000 with a prevailing interest rate of 3.60% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In July 2020, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB1,419,000,000 with a prevailing interest rate of 3.85% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In July 2020, the Group non-publicly issued 2-year RMB denominated corporate bonds in a principal amount of RMB300,000,000 with a prevailing interest rate of 5.50% per annum.

In August 2020, the Group non-publicly issued 2-year RMB denominated corporate bonds in a principal amount of RMB500,000,000 with a prevailing interest rate of 5.40% per annum.

In March 2021, the Group publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB2,430,000,000 with a prevailing interest rate of 3.97% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In March 2021, the Group publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB2,000,000,000 with a prevailing interest rate of 4.00% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In April 2021, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB1,850,000,000 with a prevailing interest rate of 4.19% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In June 2021, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB1,804,000,000 with a prevailing interest rate of 4.30% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

6. Notes

In February 2014, Central Plaza Development Ltd. (“**Central Plaza**”) established a Guaranteed Medium Term Notes and Perpetual Securities Scheme (the “**Scheme**”), pursuant to which International Financial Center Property Ltd. (“**IFC**”) or the Company (as the case may be) would provide guarantees for securities to be issued thereunder. Under the Scheme, Central Plaza may

offer and issue securities in a principal amount of up to USD1,000,000,000. Central Plaza renewed the Scheme in January 2017, January 2018 and October 2019 respectively, under the renewed Scheme, Central Plaza may offer and issue securities in a principal amount of up to USD 3,000,000,000.

In January 2018, Central Plaza made a drawdown under the above renewed Scheme to offer and issue 3-year notes in a total principal amount of USD500,000,000 at an interest rate of 3.875% per annum. The above notes had been fully settled in January 2021.

In August 2018, Trade Horizon Global Limited issued 3-year notes in a total principal amount of USD400,000,000 with floating rate. The above notes had been fully settled in August 2021.

In January 2020, Central Plaza made a drawdown under the above renewed Scheme to offer and issue 5.5-year notes in a total principal amount of USD450,000,000 at an interest rate of 3.85% per annum.

In August 2020, Central Plaza issued 363-day notes in a total principal amount of USD200,000,000 at a prevailing interest rate of 4.50% per annum.

In January 2021, Central Plaza issued 5-year notes in a total principal amount of USD400,000,000 at a prevailing interest rate of 4.65% per annum.

In March 2021, Central Plaza issued 5-year notes in a total principal amount of USD100,000,000 at a prevailing interest rate of 4.65% per annum.

7. Equity Instrument

In December 2017, the Group raised a total amount of RMB1,100,000,000 through Sino-Australian International Trust. According to the terms of Investment Agreement, the amount of other equity instruments recognized amounted to RMB1,024,650,000 after deducting the inevitable dividend payable in the foreseeable future. The above notes had been fully settled in February 2021.

In March 2018, the Group issued a debt financing plan of RMB600,000,000. According to the terms of the Prospectus, other equity instruments recognized amounted to RMB553,800,000 after deducting the inevitable dividend payable in the foreseeable future.

In April 2018, the Group issued a debt financing plan of RMB200,000,000. According to the terms of the Prospectus, other equity instruments recognized amounted to RMB184,600,000 after deducting the inevitable dividend payable in the foreseeable future.

In June 2018, the Group issued perpetual medium-term notes of RMB2,000,000,000. Other equity instruments recognized amounted to RMB1,988,000,000 after deducting issue expenses. The above notes had been fully settled in June 2021.

In August 2018, the Group issued perpetual medium-term notes of RMB2,000,000,000. Other equity instruments recognized amounted to RMB1,991,000,000 after deducting issue expenses.

In August 2018, the Group issued a debt financing plan of RMB1,800,000,000. Other equity instruments recognized amounted to RMB1,735,200,000 after deducting the inevitable dividend payable in the foreseeable future.

In September 2018, the Group issued perpetual debt notes of RMB870,000,000 through Sino-Australian International Trust. Other equity instruments recognized amounted to RMB796,050,000 after deducting the inevitable dividend payable in the foreseeable future. The above notes had been fully settled in February 2021.

In April 2019, the Group issued perpetual debt notes of RMB1,800,000,000 through AVIC Trust. Other equity instruments recognized amounted to RMB1,685,346,000 after deducting the inevitable dividend payable in the foreseeable future. The above notes had been fully settled in April 2021.

In April 2019, the Group issued a debt financing plan of RMB2,000,000,000. Other equity instruments recognized amounted to RMB1,862,842,000 after deducting the inevitable dividend payable in the foreseeable future. The current balance is RMB452,842,000.

In April 2019, the Group issued perpetual medium-term notes of RMB1,000,000,000. Other equity instruments recognized amounted to RMB995,500,000 after deducting relevant expenses.

In November 2019, Central Plaza issued Perpetual Securities amounting to USD500,000,000 at a distribution rate of 5.75% under the Medium Term Note and Perpetual Securities Program. After deducting relevant issuing costs, the Group received RMB3,470,846,000. As the issuer, Central Plaza may defer distribution without any frequency limitations only if Central Plaza or the Company do not declare or pay dividends. The Group has no contractual obligation to repay its principal or to pay any distribution. The perpetual securities do not meet the definition of financial liabilities by the Group. The Group recognized non-controlling interests amounting to RMB3,470,846,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In June 2020, a subsidiary of the Group issued Debt Investment Program amounting to RMB500,000,000 at a distribution rate of 6.50%. After deducting the inevitable dividend payable in the foreseeable future, the Group recognized non-controlling interests amounting to RMB475,870,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In July 2020, a subsidiary of the Group issued Debt Investment Program amounting to RMB819,000,000 at a distribution rate of 6.50%. After deducting the inevitable dividend payable in the foreseeable future, the Group recognized non-controlling interests amounting to RMB781,010,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In August 2020, a subsidiary of the Group issued Debt Investment Program amounting to RMB220,000,000 at a distribution rate of 6.50%. After deducting the inevitable dividend payable in the foreseeable future, the Group recognized non-controlling interests amounting to RMB211,067,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In November 2020, a subsidiary of the Group issued Debt Investment Program amounting to RMB620,000,000 at a distribution rate of 6.50%. After deducting the inevitable dividend payable in the foreseeable future, the Group recognized non-controlling interests amounting to RMB604,874,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In December 2020, a subsidiary of the Group issued Debt Investment Program amounting to RMB50,000,000 at a distribution rate of 6.50%. After deducting the inevitable dividend payable in the foreseeable future, the Group recognized non-controlling interests amounting to RMB49,083,000. Subsequent distribution declared will be treated as profit distribution to non-controlling interests.

In December 2020, the Group issued perpetual bonds of RMB1,000,000,000 at a distribution rate of 6.80% through Zhongyuan Trust. After deducting the inevitable dividend payable in the foreseeable future, other equity instruments were recognized amounting to RMB985,283,000. The above bonds were repaid in May 2021.

In January 2021, a subsidiary of the Group issued Debt Investment Program amounting to RMB230,000,000 at a distribution rate of 6.50%. The Group recognized non-controlling interests amounting to RMB230,000,000.

8. Contingent Liabilities

The Group had arranged bank facilities for certain purchasers of its properties and provided guarantees to secure the repayment obligations of such purchasers. The outstanding balances of guarantees amounted to RMB8,056,426,000 at 30 June 2021 (31 December 2020: RMB11,666,064,000). Such guarantees will be terminated upon: (i) the issuance of the real estate interest certificates which will generally be available within six months to two years after the Group transfers the ownership of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate other right certificates relating to the relevant property.

As at 30 June 2021, the Group provided a guarantee of RMB153,000,000 for a long term borrowing borrowed by a subsidiary of a joint venture.

As at 30 June 2021, the Group provided a guarantee of RMB535,980,000 for a long term borrowing borrowed by an associate.

As at 30 June 2021, the Group provided a guarantee of RMB116,610,000 for a long term borrowing borrowed by a joint venture.

As at 30 June 2021, the Group provided a guarantee of RMB2,668,640,000 for a long term borrowing borrowed by a joint venture.

As at 30 June 2021, the Group provided a guarantee of RMB51,370,000 for a long term borrowing borrowed by a joint venture.

As at 30 June 2021, the Group provided a guarantee of RMB168,620,000 for a long term borrowing borrowed by an associate.

As at 30 June 2021, the Group provided a guarantee of RMB162,360,000 for a long term borrowing borrowed by a joint venture.

Save for the above, the Group had no other material external guarantee.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters, including the review of the unaudited interim report for the six months ended 30 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code which is 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**”) in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code throughout the period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2021, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed securities during the period.

CORPORATE GOVERNANCE

During the period from 1 January 2021 to 30 June 2021, the Company has complied with the requirements under the code provisions (the “**Code Provisions**”) set out in the Corporate Governance Code and Corporate Governance Report (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules.

In addition to compliance of the Code Provisions, the Company has also adopted, as far as practicable, recommended best practices in the Corporate Governance Code.

By Order of the Board
Beijing Capital Land Ltd.
Peng Sisi
Company Secretary

Hong Kong, 4 August 2021

The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is the non-executive director, Mr. Zhong Beichen (President), Mr. Huang Ziquan, Mr. Hu Weimin and Mr. Fan Shubin who are the executive directors, Ms. Sun Baojie who is the non-executive director, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive directors.

* *For identification purpose only*