
RE IV Limited

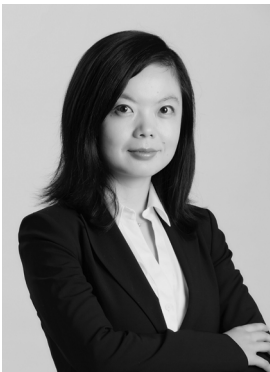
Bond Investor Report Year-end 2020 (Unaudited)

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Financial Calendar

Financial Year 2020 / 2021	2021-02-26	Year-end 2020 Bond Investor Report (Unaudited)
	2021-03-31	Year-end 2020 Bond Investor Report (Audited)
	2021-05-31	Q1 2021 Bond Investor Report
	2021-08-31	Q2 2021 Bond Investor Report
	2021-11-30	Q3 2021 Bond Investor Report



Section A

Overview

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About this report

Background

The RE IV Limited Unaudited Year-end 2020 Bond Investor Report (“Unaudited Year-end Report”) has been prepared in accordance with the terms and conditions governing the Green Bonds issued by White Peak during the third quarter of 2019 and the fourth quarter of 2020. The reporting framework established by the Unaudited Year-end Report will enhance transparency, facilitate access to reliable information regarding White Peak’s business operations and strengthen White Peak’s communication with Green Bond investors.

Reporting Boundary

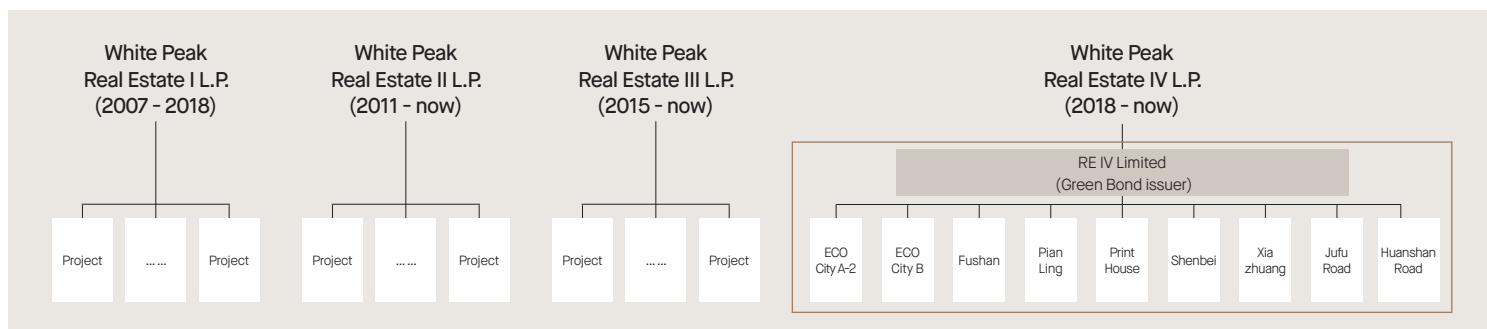
The Unaudited Year-end Report pertains solely to RE IV Limited and no financial information regarding other affiliated entities is set out herein. However, to facilitate the understanding of the Unaudited Year-end Report, certain non-financial information relating to, *inter alia*, White Peak’s business platform which is not exclusively attributable to RE IV Limited has been included herein.

Basis of Preparation

The Consolidated Financial Statements are prepared in accordance with IFRS (IAS 34).

Caveat

The Unaudited Year-end Report has not been reviewed by the company’s auditor.



- General non-financial information reporting boundary
- Financial information reporting boundary

2019 Green Bond factsheet (ISIN: SE0012741064)

Issuer	RE IV Limited			
Volume	SEK 600 million			
Total framework	SEK 1 billion			
Tenure	3 years (Final Maturity Date at 5 July 2022)			
Coupon	Fixed 9%, semi-annual payments			
Use of proceeds	The proceeds will be used to finance investments and transaction costs in accordance with the Terms and Conditions governing the Green Bond			
Maintenance covenants	<ul style="list-style-type: none"> — Loan to Value <55% — Minimum Cash: at least equal to 12 months scheduled interest payments 			
Listing	The Green Bond is listed on the Nasdaq Stockholm Corporate Bond list as well as on the Freiverkehr list at Deutsche Borse.			
Hedging	At the end of 2020, RE IV Limited held RMB/SEK FX options of SEK 681 mil notional, at strike 1.2612. The notional amount is sufficient to cover both the future bond principal and coupon payments. The company intends to use this RMB/SEK FX option to hedge the foreign currency risk, should SEK appreciate beyond 1.2612 against RMB.			
Covenant compliance certificate		Requirement	Q4 2020	
	Loan to Value ¹	<55%	6.7%	☑
	Minimum Cash	SEK 78 mil ²	RMB 1,369 mil (SEK 1,723 mil) ³	☑

¹ Loan to Value means the ratio of Net Interest Bearing Debt to Gross Asset Value as per the latest independent third party valuation.

² The sum of the minimum cash requirements of the 2019 Green Bond (SEK 54 mil) and the 2020 Green Bond (SEK 24 mil)

³ As of December 31, 2020, the Group had cash and bank balances in the amount of RMB 1,767 million, of which RMB 398 million was not counted towards cash and cash equivalents in the financial statements, since it can only be used for payment of construction costs when approval from related government authority is obtained. The amount in SEK is based on currency exchange rates as of December 31, 2020

2020 Green Bond factsheet (ISIN:SE0015195847)

Issuer	RE IV Limited
Volume	SEK 600 million
Total framework	SEK 1.5 billion
Tenure	3 years (Final Maturity Date at 27 November 2023)
Coupon	Fixed 8%, semi-annual payments
Use of proceeds	The proceeds will be used to finance investments and transaction costs in accordance with the Terms and Conditions governing the Green Bond
Maintenance covenants	<ul style="list-style-type: none"> — Loan to Value <55% — Minimum Cash: at least equal to 6 months scheduled interest payments
Listing	The Green Bond is listed on the Nasdaq Stockholm Corporate Bond list.
Hedging	By the end of 2020, RE IV Limited did not hold RMB/SEK FX options for the new bond since the bond proceeds were in USD and not exposed to a CNY/SEK FX risk at that time.

Covenant compliance certificate	Requirement	Q4 2020	
	Loan to Value ¹	<55%	6.7%
Minimum Cash ²	SEK 78 mil ²	RMB 1,369 mil (SEK 1,723 mil) ³	

¹ Loan to Value means the ratio of Net Interest Bearing Debt to Gross Asset Value as per the latest independent third party valuation.

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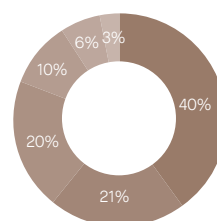
Project factsheet

Current Investments

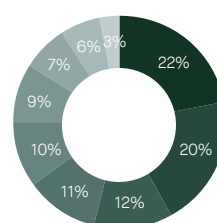
By the end of Q4 2020, RE IV Limited had made nine investments, located in six cities across three provinces, with a total population exceeding 219 million.

The projects resulting from the first seven investments made launched sales by Q4 2020 and have started to generate cash flows. The projects have estimated delivery dates ranging between 2022 and 2024.

During 2020, RE IV Limited continued its growth by acquiring land parcels in Shenyang (Liaoning Province) and Qingdao (Shandong Province), respectively, in Q1. In Q4 2020, White Peak expanded its footprint in existing markets by winning two land auctions in Tai'an (Huashan Road Project) and Yantai (Jufu Road Project).



Equity Investment % by City



Equity Investment % by Project



Project name	Property type	Year of acquisition	Year of project completion (EST)	Equity invested (RMB million) ⁽¹⁾	Estimated total GFA m ²⁽²⁾	Status
Eco City (Site A-2), Yantai	Mixed use	2018	2022	340	94,300	Sales launched
Eco City (Site B), Yantai	Mixed use	2018	2023	446	125,600	Sales launched
Fushan Project, Yantai	Residential	2018	2022	259	245,832	Sales launched
Pian Ling Project, Chengde	Residential	2019	2023	359	181,432	Sales launched
Print House Project, Pingdu	Residential	2019	2022	117	44,509	Sales launched
Shenbei Project, Shenyang	Residential/ Retail	2020	2024	722	283,106	Sales launched
Xiazhuang Project, Qingdao	Residential	2020	2023	210	47,133	Sales launched
Huashan Road Project, Tai'an	Residential	2020	2024	790	90,492	Acquisition completed
Jufu Road Project, Yantai	Residential	2020	2024	419	178,763	Acquisition completed
Total				3,662	1,291,167	

⁽¹⁾ The equity deployed includes equity contributions in the form of subordinated shareholder loans from White Peak Real Estate IV L.P. and recycled onshore funds.

⁽²⁾ The building areas may change due to changes in project positioning.

In RMB	Total	Site A-2	Site B	Fushan	Pian Ling	Print House	Shenbei	Xiazhuang	Huashan Road	Jufu Road
CBRE Valuation as of 31 December, 2020	6,908,000,000	881,000,000	1,041,000,000	1,041,000,000	859,000,000	261,000,000	1,122,000,000	313,000,000	909,000,000	481,000,000
Book value of properties	6,271,489,020	735,682,680	838,465,061	993,882,191	836,659,895	249,512,175	1,036,437,199	289,036,466	851,726,521	440,086,832
Revaluation gain/loss	636,510,980	145,317,320	202,534,939	47,117,809	22,340,105	11,487,825	85,562,801	23,963,534	57,273,479	40,913,168

Letter from the CEO “INTO A NEW ERA”



*Jesper Jos Olsson
speaking at White Peak 2021 Annual Conference*

In our 2019 bond report we promised to monitor the progress of COVID-19 and its impact on our business. Little did we know just what an extraordinary year it would be for China and the world, with the pandemic sweeping the globe. This once-in-a-century crisis pointed out how important resilience is for governments and businesses. China is among the nations that did well in controlling the pandemic at home, evidenced by the effective prevention and control measures employed and its strong economic rebound. China was the only major economy to achieve positive growth in 2020.

Perhaps more importantly, the pandemic has driven significant shifts in mindset, including among homebuyers, which directly impact White Peak. COVID-19 has been a catalyst for people in China to think anew about how and where they live, and their impact on the planet. It is accelerating change for the better. As attitudes shift, White Peak is well positioned for a new era in Chinese urban living. We have been driven for many years by a vision of sustainable living for Chinese homeowners, a concept more relevant today than ever before.

We experienced strong pre-sales uptake amid COVID-19, showing how our commitment to green, sustainable housing solutions and quality standards resonate with customers. Our top proof-point was our flagship Hammarby Eco City Project in Yantai's Zhifu District, which was the district's best-selling project in 2020.

White Peak and RE IV Limited in 2020 continued to benefit from the major trends of urbanization and the growth of the middle-income class in China while becoming increasingly responsible as a company. We continued developing our three strategic priorities—the data-driven decision-making approach, green product design, and a strong emphasis on ESG—which we believe are a solid foundation for us to be increasingly relevant to governments, customers and investors.

Growing Our Business

In 2020, we broadened our footprint and grew the portfolio of RE IV Limited by acquiring four projects in Shenyang, Qingdao, Tai'an and Yantai with total land investments of RMB 2.1 billion. As a result, by the end of 2020, RE IV Limited had a well-diversified portfolio of nine projects in five cities of three provinces, representing over 11,000 residential units due for completion between 2022 and 2024. Overall, in 2020, RE IV Limited sold over 2,800 units and achieved total contractual sales of RMB 2.6 billion, generated from the seven projects acquired prior to the final quarter of 2020. Sales will commence in 2021 for the two projects acquired in Q4 2020.

As we continue to build out our projects and grow our land bank in the coming years, it is important to note that governments at all levels in China are now more focused on the sustainable aspects of building and urban development. We expect this to intensify and, in the near future, only green and sustainable companies will be able to acquire land and attain the financing they need. Sustainability is becoming a central part of doing business, not an add-on.

In order to finance further investments in green residential development, in November 2020 we established a new green bond framework totaling SEK 1.5 billion and completed the first issuance in the amount of SEK 600 million. The bonds carried an 8% coupon, a decrease from 9% over the previous bonds in 2019; we feel the lower coupon reflects the market's increased confidence in White Peak. The offering was oversubscribed.

Progress in Responsibility

In the 2020 Global Real Estate Sustainability Benchmark (GRESB) assessment, White Peak maintained its strong 2019 score of 92 out of 100. We retained our ESG leader position in Asia as No.1 among all Asian non-listed opportunistic funds. We plan to continue improving, and for 2021, we are increasing the weighting of ESG in our internal key performance indicators to 20%, from 10% previously.

In the areas of green and sustainability, we achieved three BREEAM "Very Good" ratings and three LEED Gold certifications in 2020. We also expanded our supply chain and established partnerships with large Nordic companies such as ABB, Assa Abloy and Envac to ensure that we can deliver an authentic Nordic lifestyle to our customers.

In view of COVID-19, we invested in more e-learning courses for our employees, which resulted in more than doubling the total training hours per employee over 2019. Our employee satisfaction survey result increased to 98% in 2020 from 93% in the last 2018 survey.

Workplace health and safety has been on top of our agenda ever since we started the company, as there are thousands of employees and contractors working on our construction sites. This year's inspection score by Bureau Veritas on construction site safety improved to 82.7 in 2020 from 81.2 in 2019. As part of the 5th annual Health and Safety Day event, we hosted a forum highlighting China and Sweden's collaborations in ESG and workplace safety at the Hammarby Eco City in Yantai. Sweden's Ambassador to China

and other honorable guests from Business Sweden, SEB, ABB and Assa Abloy presented safety awards to eight individuals and four groups for their contributions to promoting a safe workplace.

In pursuit of a long-term sustainable future

The pandemic consumed much of our attention in 2020 and sometimes overshadowed other significant developments that will impact our company, China and the world. Most notable, in 2020 China made a strong commitment to reach peak carbon in 2030 and carbon neutrality by 2060. These are ambitious goals that we believe will have a profound impact on China's real estate sector, one of the biggest sources of emissions. These targets will soon find themselves high on the agendas of all developers who want to have a long-term sustainable business in China. We look forward to the 14th Five-Year Plan that will take effect in 2021. Innovation, urbanization and environment are again high on the priority list—and are consistent with White Peak's profile.

We thank our investors for your support in 2020 and your faith in our vision in 2021 and beyond.

Sincerely,

Jesper Jos Olsson

Beijing, February 2021

Highlights of 2020

Becoming Increasingly Responsible

ESG Performance



92

Annual GRESB* Assessment Score
(2019: 92)



No.1

Among Asia Non-Listed Opportunistic Funds
(2019: No.1 among Asia Residential Developers)

Better Quality and Green Design



90

Third-Party Quality Inspection Score
(2019: 86)



6

Green Certificates Obtained (LEED**+BREEAM***)
(2019: 2)

Employees' Wellbeing



98%

Employee Satisfaction Rate
(Last survey in 2018: 93%)



32

Training Hours per Employee
(2019: 15)

Workplace Health & Safety



82.7

3rd Party H&S Inspection Score by Bureau Veritas
(2019: 81.2)



34,207

Number of Attendees of Construction Safety Training
(2019: 17,070)

* GRESB is the leading ESG benchmark for real estate and infrastructure investments across the world. GRESB assesses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets, providing standardized and validated data to the capital markets, capturing information on ESG performance and sustainability best practices for real estate and infrastructure companies, funds and assets worldwide.

** LEED was developed by the U.S. Green Building Council (USGBC), and is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across green metrics. LEED provides building owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

*** BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE. This means BREEAM rated developments are more sustainable environments that enhance the well-being of the people who live and work in them, help protect natural resources and make for more attractive property investments.

Highlights of 2020

Growing Our Business

Expanded the Portfolio



4

Land Acquisitions in 2020
(2019: 2)



RMB 2.1 billion

Land Investments in 2020
(2019: RMB 696 million)



9

No. of Projects by the end of 2020
(2019: 5)



11,000+

No. of Residential Units in the Portfolio by the end of 2020
(2019: ~ 6,000)



RMB 6,908 million

Property Valuation by the end of 2020
(2019: RMB 2,745 million)



6

No. of Cities with Active Projects by the end of 2020
(2019: 3)

Achieved Strong Sale Performance



RMB 2,589 million

Contracted Sales in 2020
(2019: RMB 637 million)



7

No. of Projects on Sale by the end of 2020
(2019: 2)

Issued the Company's Second Green Bond in Sweden



SEK 600 million

New Green Bond Issued in 2020
(2019: SEK 600 million)



8%

Coupon Rate of the Green Bond Issued in 2020
(2019: 9%)

Quarterly data dashboard

Property market indicators		Q4'20 vs Q3'20		Q3'20 vs Q2'20		Data source / notes
National	Price	+3.8%	decelerating	+4.6%	decelerating	NBS 70 Cities Y/Y (weighted): December/ September
	Volume	+3.2%	turned positive	-1.0%	less negative	NBS New Home Sales GFA YTD Y/Y: December/ September
	MTC	10.2	decreasing	10.6	decreasing	Months-to-clear @6M for 11 Major Cities: December/ September
	New Starts	-1.9%	less negative	-4.2%	less negative	NBS Residential New Starts GFA YTD Y/Y: December/ September
	Land Sales	-1.1%	less negative	-2.9%	more negative	NBS Land Sales (Area) YTD Y/Y: December/ September
Macro indicators		Q4'20		Q3'20		Data source/ notes
Growth	GDP	+2.3%	accelerating	+0.7%	turned positive	YTD YoY, Q4 2020/ Q3 2020
	Resi RE Inv	+7.6%	accelerating	+6.1%	accelerating	YTD YoY, December/ September
	PMI- Manu.	51.9	exp. faster	51.5	exp. faster	December/ September
	PMI- Non Manu.	55.7	exp. slower	55.9	exp. faster	December/ September
	Retail Sales	-3.9%	less negative	-7.2%	less negative	YTD YoY, December/ September
Monetary	M2	+10.1%	decelerating	+10.9%	decelerating	YoY, December/ September
	RMB Loans	+12.8%	decelerating	+13.0%	decelerating	YoY, December/ September
	Mortgage Loans*	+15.7%	same	+15.7%	decelerating	Quarterly, Q3 2020/ Q2 2020
	Mortgage Cost	5.23%	falling	5.24%	falling	First-time Buyers, Rong360 Survey, Major 35 Cities, December/ September
	CPI	+0.2%	lower	+1.7%	lower	YoY, December/ September
	PPI	-0.4%	lower	-2.1%	higher	YoY, December/ September
Currency	RMB vs USD	+3.1%	appreciating	+4.8%	appreciating	90D Change, Jan24&Oct21/ Oct21&Jul27
	RMB vs SEK	-2.3%	depreciating	+4.9%	appreciating	90D Change, Jan24&Oct21/ Oct21&Jul27

Sources: Real Estate Foresight analysis based on data from CREIS, NBS, PBoC, Quandl/DataYES, and Thomson Reuters' calculation

*Note: Since the Q4 2020 mortgage loans data has not been available yet, Q3 2020/Q2 2020 data is kept for reference



Section B

Performance

Pages 13—59

Project status

Yantai Hammarby Eco City (“Eco City”) Site A-2 and Site B

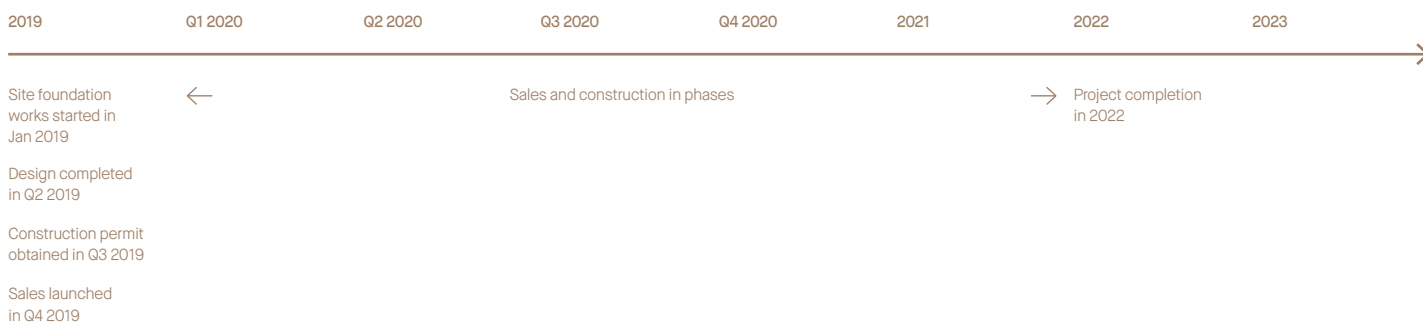


Eco City	Site A-2	Site B
Development type	Residential Loft Retail	Residential Loft Retail Ice Hockey Stadium
Land size, m ²	39,356	52,341
GFA, m ²	94,300	125,600
Number of residential units	812	1,075
Estimated year of project completion	2022	2023

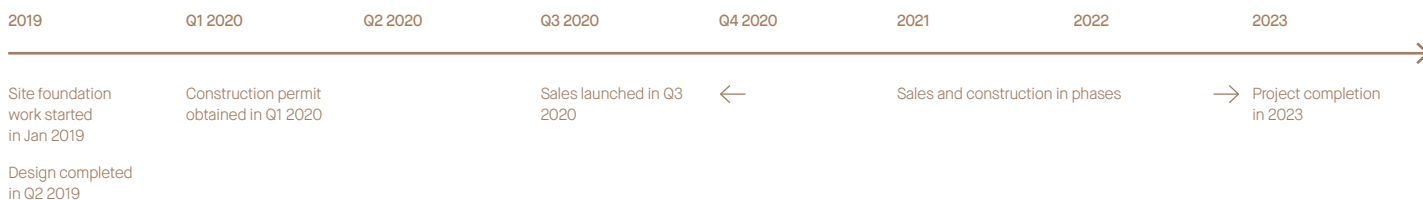
Project Description

- Eco City (Site A-2) and Eco City (Site B) is the initial phase of the Eco City Project.
- The Eco City Project is an urban redevelopment project comprising eight land parcels for which White Peak has entered into an exclusive cooperation agreement with the local government, the purpose of which is the joint development and incorporation of the Hammarby Sjöstad planning concept over the next several years.

Site A-2 Estimated schedule



Site B Estimated schedule



Project status

Yantai Hammarby Eco City (“Eco City”) Site A-2 and Site B

We have achieved important milestones in the Eco City project.

- Conceptual design prepared by Sweco has been approved;
- The Sales Centre construction has been completed;
- Construction is proceeding according to plan;
- Pre-sales of Eco City Site A-2 residential apartments launched in November 2019 with 680 units located at Site A-2 sold by the end of Q4 2020;
- Eco City Site B launched sales in August with 185 units sold by the end of Q4;
- Eco City obtained BREEAM rating of “Very Good”.

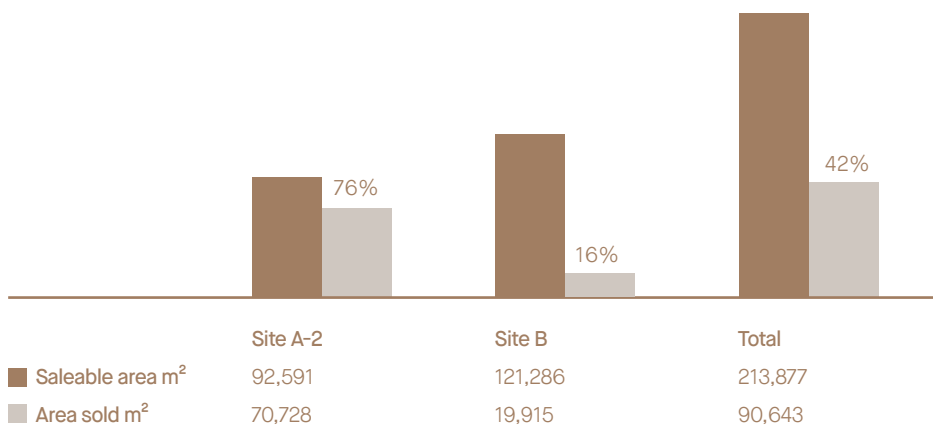


Project status

Yantai Hammarby Eco City (“Eco City”) Site A-2 and Site B

Sales Progress

- Sales of Site A-2 launched in November 2019 with Site B launched in Q3 2020;
- In total, 680 units located at Site A-2 had been sold by the end of Q4 2020;
- In total, 185 units located at Site B had been sold by the end of Q4 2020;
- In 2020, Eco City ranked No.1 in terms of sales among all projects in Zhifu District in Yantai;



Project status

Yantai Fushan Nordic Park (“Fushan Project”)



Yantai Fushan Nordic Park

Development type	Residential
Land size, m ²	99,500
GFA, m ²	245,832
Number of residential units	2,305
Estimated year of project completion	2022

Project Description

- Fushan Project is located in Fushan District, which is one of the five urban districts of Yantai.
- Fushan District has the lowest housing prices among all core districts in Yantai, therefore it represents the cheapest access to urban infrastructure and amenities for the newly urbanised population.
- Fushan Project comprises a parcel of residential land with a site area of 99,500 m² and a parcel of industrial land planned for an ice hockey stadium and an international school with a site area of 97,500 m².

Fushan Estimated schedule



Project status

Yantai Fushan Nordic Park ("Fushan Project")

Significant progress has been made on Fushan Nordic Park in Yantai.

- Design approved and construction permit obtained in Q3 2019;
- Construction of the Sales Centre and Ice Hockey Stadium is completed;
- Construction is proceeding according to plan;
- Pre-sales commenced in Q4 2019 with 1,424 units sold by the end of Q4 2020;
- Fushan Nordic Park obtained BREEAM rating of "Very Good".

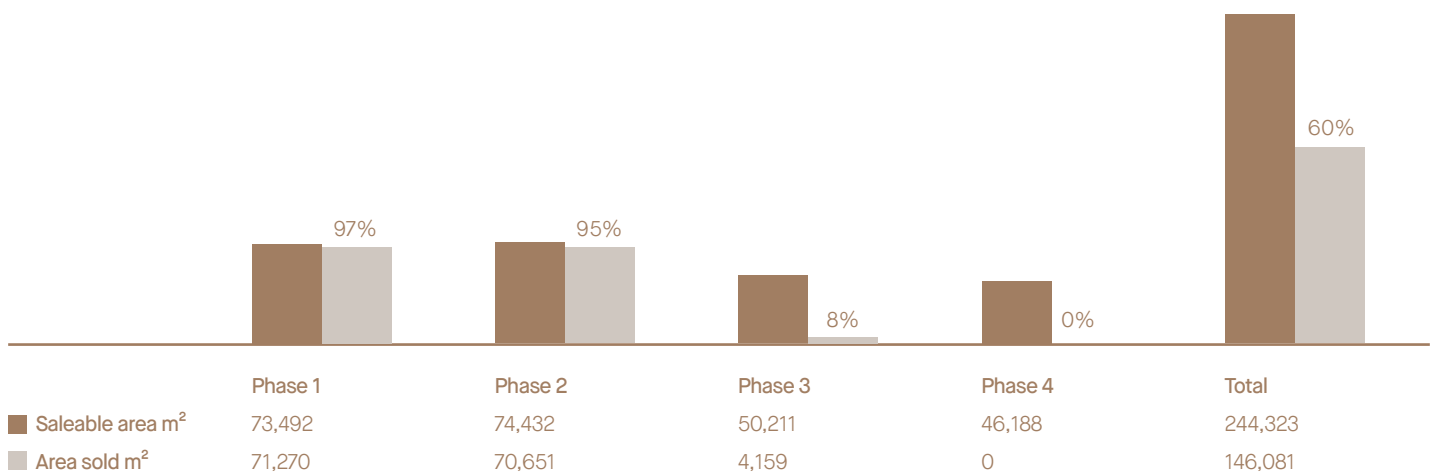


Project status

Yantai Fushan Nordic Park ("Fushan Project")

Sales Progress

- Sales launched in Dec 2019;
- In total, 1,424 units had been sold in the Fushan Project by the end of Q4 2020;
- During 2020, the Fushan Project ranked No.1 in terms of sales among all projects in Fushan District of Yantai.



Project status

Pingdu Print House (“Print House Project”)



Pingdu Print House

Development type	Residential
Land size, m ²	24,733
GFA, m ²	44,509
Number of residential units	347
Estimated year of project completion	2022

Project Description

- Pingdu is a county level city in Qingdao, with a total population of around 1.38 million.
- RE IV Limited successfully acquired the land on December 11, 2019.
- White Peak has been active in Pingdu since 2008 and has sold around 1,100 units totaling 96,000 sqm residential area in the city over these years.

Print House Estimated schedule



Project status

Pingdu Print House ("Print House Project")

Significant progress has been made on Print House Project in Pingdu.

- Design approved and construction permit obtained in Q2 2020;
- Construction is proceeding according to plan;
- Pre-sales commenced in July 2020 with 213 units sold by the end of Q4 2020;
- Print House obtained BREEAM rating of "Very Good" and the LEED for Communities Precertification, achieving the LEED Gold level.

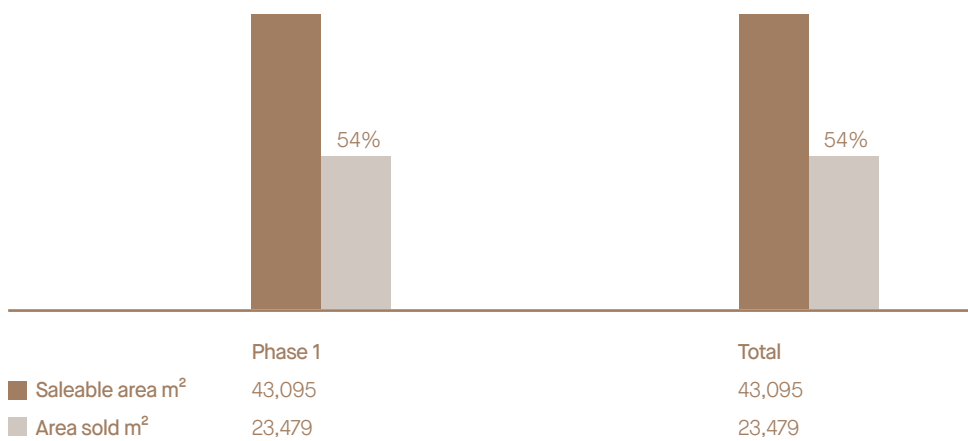


Project status

Pingdu Print House ("Print House Project")

Sales Progress

- Sales launched in July 2020;
- In total, 213 units had been sold in the Print House Project by the end of Q4 2020.



Project status

Chengde Pian Ling (“Pian Ling Project”)



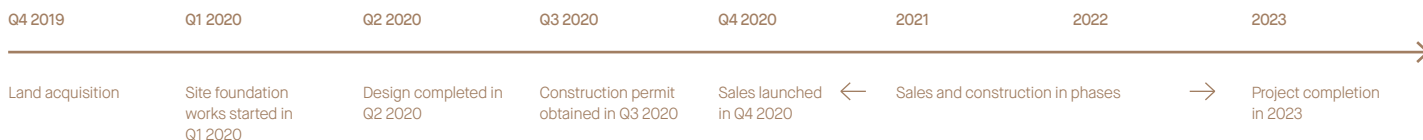
Chengde Pian Ling

Development type	Residential
Land size, m ²	120,215
GFA, m ²	181,432
Number of residential units	1,551
Estimated year of project completion	2023

Project Description

- Chengde Pian Ling Project comprises a land parcel with a site area of 120,215 m² and a planned GFA of 181,432 m², for residential uses.
- By the end of 2020, Chengde was made accessible via the high-speed rail within 1 hour from Beijing, which will boost the economic development and drive demand for housing over the next few years.
- Compared with the strong demand, the current residential inventory is limited, primarily because of the scarce land supply in Chengde due to its mountainous topography.
- RE IV Limited acquired the land on December 6, 2019.
- White Peak has been active in Chengde since 2017 and has sold approximately 1,200 units totaling 130,000 sqm residential area in the city over the past three years.

Pian Ling Estimated schedule

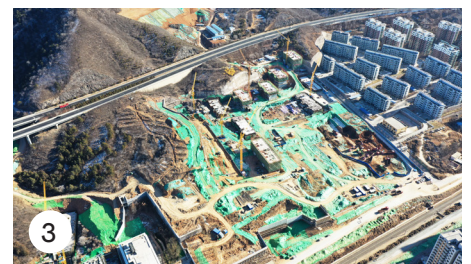
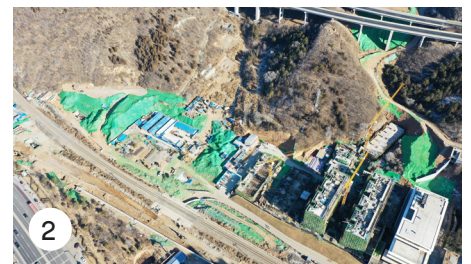
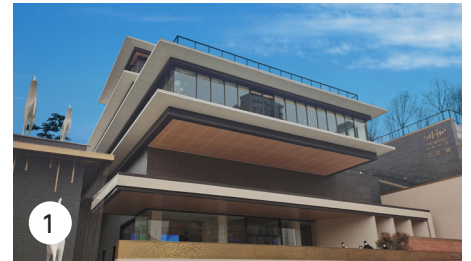


Project status

Chengde Pian Ling ("Pian Ling Project")

Significant progress has been made on Pian Ling Project in Chengde.

- Design approved and construction permit obtained in Q2 2020;
- Construction is proceeding according to plan;
- Pre-sales commenced in October 2020 with 190 units sold by the end of Q4 2020;
- Pian Ling obtained the LEED for Communities Precertification, achieving the LEED Gold level

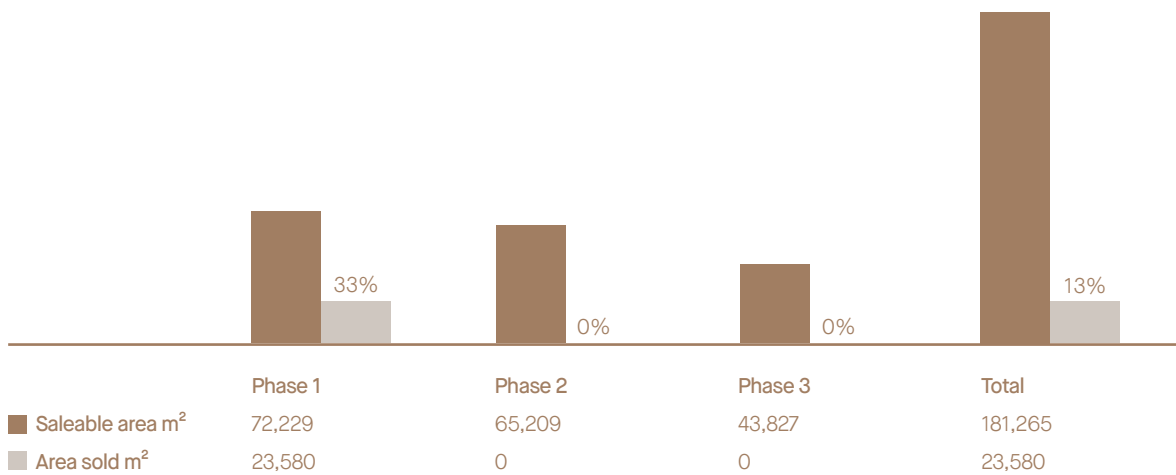


Project status

Chengde Pian Ling ("Pian Ling Project")

Sales Progress

- Sales launched in October 2020;
- In total, 190 units had been sold in the Pian Ling Project by the end of Q4 2020.



Project status

Shenyang Shenbei (“Shenbei Project”)



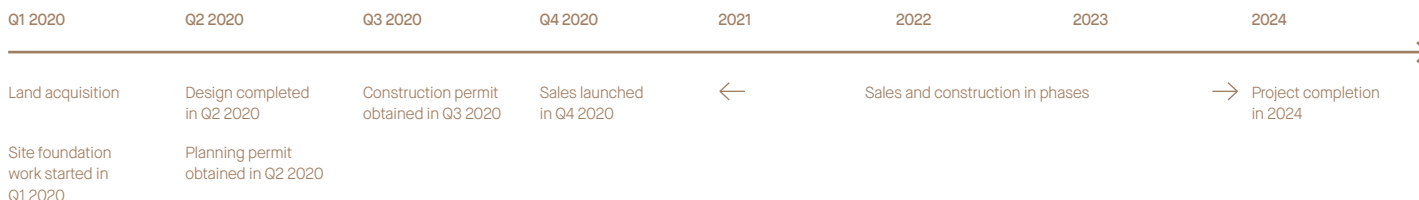
Shenyang Shenbei

Development type	Residential / Retail
Land size, m ²	141,553
GFA, m ²	283,106
Number of residential units	2,758
Estimated year of project completion	2024

Project Description

- Shenbei New District is the most affordable Shenyang district accessible to urban infrastructure and amenities for the new urbanizing population.
- RE IV Limited successfully acquired the land on February 20, 2020.
- White Peak has a strong team with extensive local market knowledge derived from the previous project in Shenyang (i.e. Yuhong Nordic Cloud project of Fund II).
- White Peak has been active in Shenyang since 2015 and has sold around 1,500 units totaling 120,000 sqm residential area in the city over the past five years.

Shenbei Project Estimated schedule

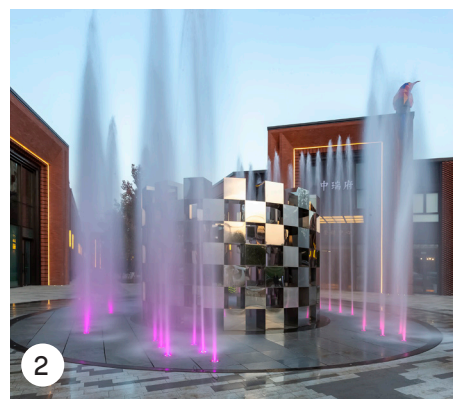


Project status

Shenyang Shenbei ("Shenbei Project")

Significant progress has been made on Shenbei Project in Shangyang.

- Design approved and construction permit obtained in Q2 2020;
- Construction is proceeding according to plan;
- Pre-sales commenced in November 2020 with 99 units sold by the end of Q4 2020;
- Shenbei obtained BREEAM rating of "Very Good" and the LEED for Communities Precertification, achieving the LEED Gold level.

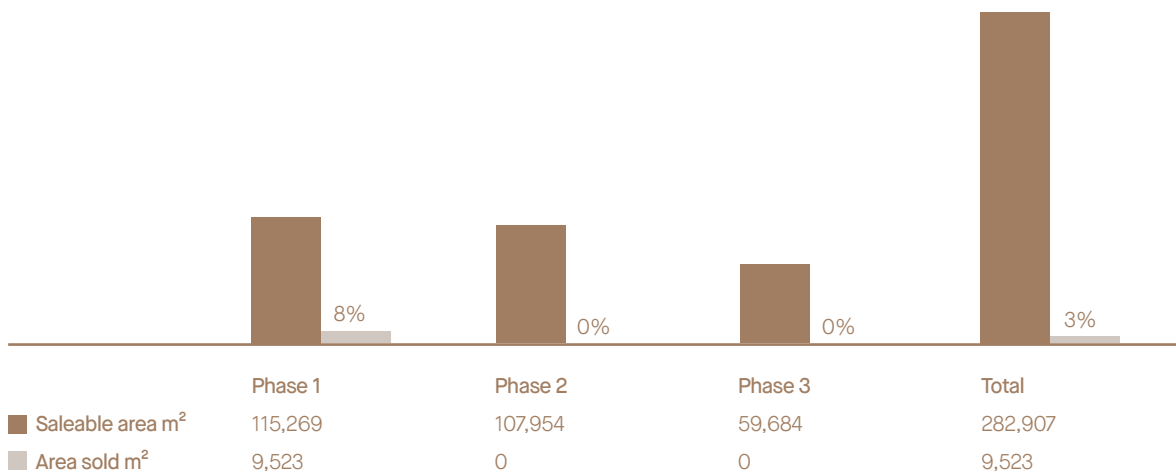


Project status

Shenyang Shenbei ("Shenbei Project")

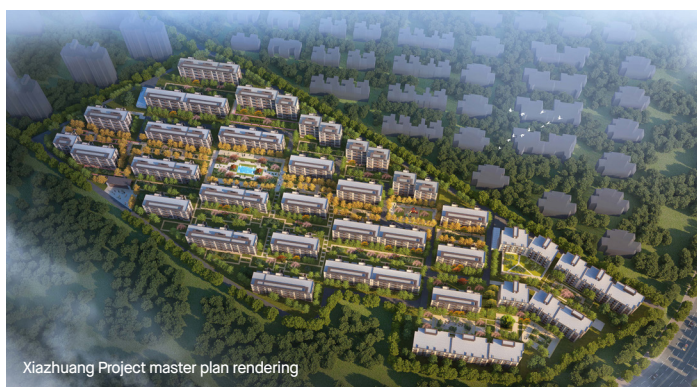
Sales Progress

- Sales launched in November 2020;
- In total, 99 units had been sold in the Shenbei Project by the end of Q4 2020.



Project status

Qingdao Xiazhuang (“Xiazhuang Project”)



Qingdao Xiazhuang

Development type	Residential
Land size, m ²	46,666
GFA, m ²	47,133
Number of residential units	352
Estimated year of project completion	2023

Project Description

- Chengyang District is the northern access to downtown Qingdao. The Target Land is located in the south of Chengyang District and is adjacent to downtown.
- RE IV Limited successfully won the land auction on March 31, 2020.
- The land has a low plot ratio and is located at the foot of the famous scenic spot Mount. Lao. Thus the land will be developed into premium products attracting high-end customers.
- White Peak’s presence in Qingdao dates back to as early as 2008. With over 10 years’ experience in the market, White Peak invested in Ruiping Centre (Exited), Ruiping Financial Centre (Exited) and Nordic Light (Exited) for its Fund I, and Jiaozhou Central Park, Pingdu Weekly for Fund II and Pingdu Hongqi Road for Fund III. So far, White Peak has sold around 5,200 units in Qingdao.

Xiazhuang Project Estimated schedule

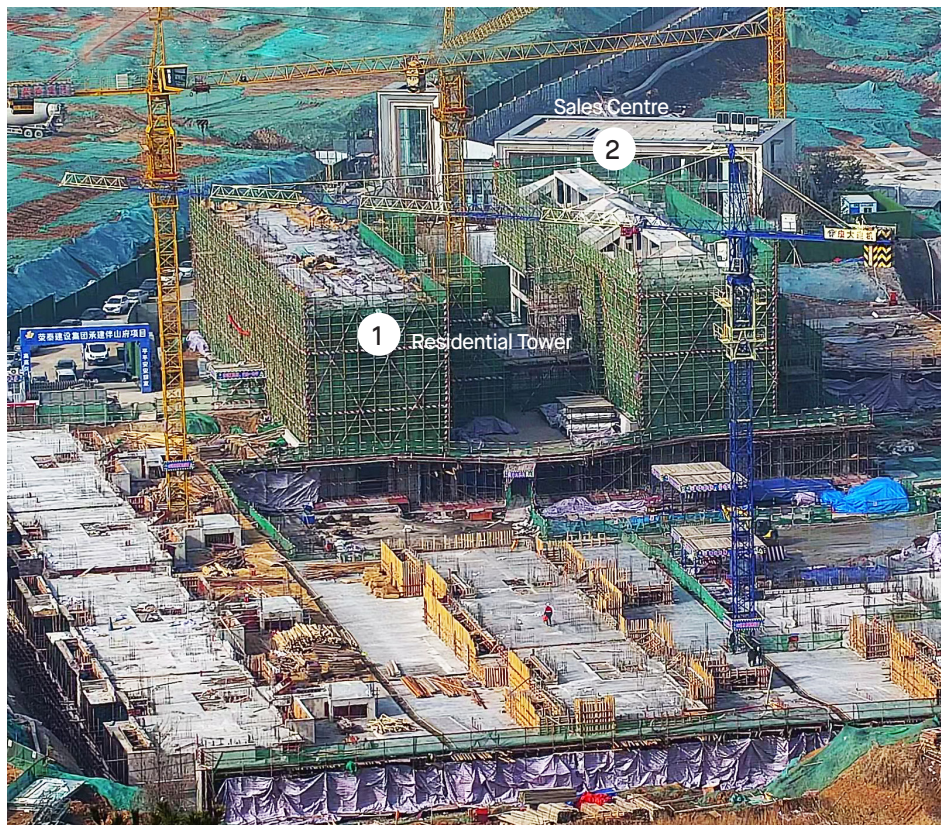


Project status

Qingdao Xiazhuang ("Xiazhuang Project")

Significant progress has been made on Xiazhuang Project in Qingdao.

- Design approved obtained in Q2 2020 and construction permit obtained in Q3 2020;
- Construction is proceeding according to plan;
- Pre-sales commenced in December 2020 with 39 units sold by the end of Q4 2020;
- Xiazhuang obtained BREEAM rating of "Very Good".

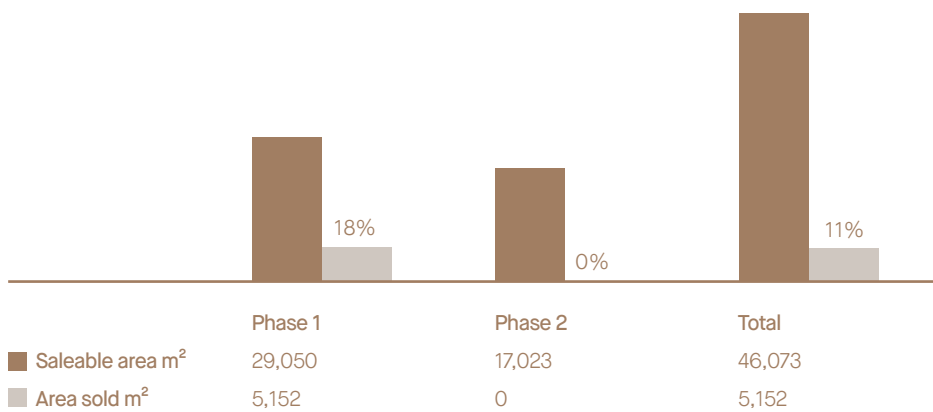


Project status

Qingdao Xiazhuang ("Xiazhuang Project")

Sales Progress

· In total, 39 units had been sold in the Xiazhuang Project by the end of Q4 2020.



Project status

Yantai Jufu ("Jufu Project")



Yantai Jufu

Development type	Residential
Land size, m ²	89,387
GFA, m ²	178,763
Number of residential units	1,454
Estimated year of project completion	2024

Project Description

- Jufu Road project is RE IV Limited's 4th project in Yantai. Current developments are Eco-city (Site A-2) Project, Eco-city (Site B) Project, and Fushan Nordic Park Project. The project is located in the central living area of Fushan District.
- RE IV Limited successfully won the land auction on Oct 18, 2020.
- Jufu Project is located in the central living area of Fushan District, which is one of the five urban districts of Yantai.
- Fushan District has the lowest housing prices among all core districts in Yantai, therefore it represents the cheapest access to urban infrastructure and amenities for the newly urbanised population.

Jufu Project Estimated schedule



Project status

Tai'an Huanshan Road ("Huanshan Road Project")



Tai'an Huanshan Road

Development type	Residential
Land size, m ²	82,300
GFA, m ²	90,492
Number of residential units	513
Estimated year of project completion	2024

Project Description

- Huanshan Road project is White Peak's 3rd project in Tai'an. Current and previous developments are Chateau Mount. Tai (a Fund II project) and Cherry Garden (a Fund III project). The project is located in the Mountain Edge Area, an attractive area for potential buyers.
- RE IV Limited successfully won the land auction on October 26, 2020.

Huanshan Road Project Estimated schedule



Highlights of financial performance

Highlights of financial performance

	Valuation of properties under development for sale <small>RMB Million</small>	Book value of properties under development for sale <small>RMB Million</small>	Cash and cash equivalents <small>RMB Million</small>	
	6,908¹	6,271²	1,369³	
	Cumulative Contract sales <small>RMB Million</small>	Cumulative Contract GFA <small>Square meter</small>	Operating loss during the period <small>RMB Million</small>	
	3,226⁴	298,457⁴	162⁵	
	Total borrowing <small>RMB Million</small>	Total bond payable <small>RMB Million</small>	Equity loan <small>RMB Million</small>	Loan to Value <small>%</small>
	872⁶	958⁷	2,798⁸	6.7⁹

Notes:

1&2: Valuation is based on the latest independent third party valuation while properties under development for sale is based on the book value of properties. Due to actual appreciation of the land and developments since acquisition, valuation is higher than property under development.

3. As of December 31, 2020, the Group had cash and bank balances in the amount of RMB 1,767 million, of which RMB 398 million was not counted towards cash and cash equivalents in the financial statements, since it can only be used for payment of construction costs when approval from related government authority is obtained.

4. As at December 31, 2020, the Group has cumulative contracted pre-sales amounting to RMB 3,225,602,910 (December 31, 2019: RMB 636,678,298) with cumulative contract GFA from pre-sale of residential properties of 298,457 (December 31, 2019: 61,381) square meters.

5. Development profits are only recognized at delivery.

6. Local loans related to the projects denominated in RMB and sourced in China. The repayment schedule is determined by sales progress of the project.

7. On July 5, 2019, the company issued SEK 600,000,000 Senior Secured Fixed Rate Bonds. The term of the bonds is 3 years and the coupon is 9%. On November 27, 2020, the company issued SEK 600,000,000 Senior Secured Fixed Rate Bonds. The term of the bonds is 3 years and the coupon is 8%. Please refer to Note 12 in consolidated financial statements for more information.

8. Long term subordinated shareholders loan, deemed as equity in the balance sheet.

9. Loan to Value means the ratio of Net Interest Bearing Debt to Gross Asset Value as per the latest Valuation.

Unaudited consolidated financial information

For the Year-ended
31 December 2020

Consolidated balance sheet

As at 31 December 2020

		Unaudited As at 31 December 2020	Audited As at 31 December 2019
	Note	RMB	RMB
Assets			
Non current assets			
Fixed assets	5	36,797,452	52,390,162
Deferred income tax assets	18	27,640,823	—
		<u>64,438,275</u>	<u>52,390,162</u>
Current assets			
Properties under development for sale	6	6,271,489,020	2,314,764,400
Prepayments, deposits and other receivables	7	435,897,847	442,134,983
Contract acquisition cost	8	53,128,752	—
Financial assets at fair value through profit or loss	9	22,010,332	7,029,841
Restricted cash	10	397,459,896	124,142,492
Cash and cash equivalents		1,369,254,499	390,896,716
		<u>8,549,240,346</u>	<u>3,278,968,432</u>
Total assets		<u>8,613,678,621</u>	<u>3,331,358,594</u>

Consolidated balance sheet (continued)

As at 31 December 2020

	Note	Unaudited As at 31 December 2020 RMB	Audited As at 31 December 2019 RMB
Liabilities			
Non current liabilities			
Borrowing	11	482,161,762	100,000,000
Bonds payable	12	930,633,683	432,974,510
Financial liabilities at fair value through profit or loss	15	200,000,000	—
		<u>1,612,795,445</u>	<u>532,974,510</u>
Current liabilities			
Borrowing	11	390,169,706	100,000,000
Bonds payable	12	27,145,862	21,543,967
Trade and other payables	13	1,272,458,363	347,701,666
Contract liabilities	14	2,740,343,931	471,513,855
		<u>4,430,117,862</u>	<u>940,759,488</u>
Total liabilities		<u>6,042,913,307</u>	<u>1,473,733,998</u>
Net assets		<u>2,570,765,314</u>	<u>1,857,624,596</u>
Equity			
Paid-in capital	16	87,813	87,813
Equity loans	17	2,798,019,897	1,922,558,997
Accumulated losses		<u>(227,342,396)</u>	<u>(65,022,214)</u>
Total equity		<u>2,570,765,314</u>	<u>1,857,624,596</u>

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The condensed consolidated financial statements on pages 37 to 59 were approved by the Board of Directors on 23 February 2021 and were signed on its behalf.

Jesper Lars Jos OLSSON
Director

HAO, XUETAO
Director

Consolidated income statement

For the year ended 31 December 2020

		Unaudited Year ended 31 December 2020	Audited Year ended 31 December 2019
	Note	RMB	RMB
Revenue	19	51,619,016	—
Cost of sales	20	(59,529,483)	(2,719,352)
Gross loss		(7,910,467)	(2,719,352)
Selling expenses	20	(95,864,628)	(23,332,700)
Administrative expenses	20	(57,581,622)	(26,783,750)
Interest income		8,185,886	272,339
Other (losses)/gains - net	20	(36,790,174)	(11,079,505)
Operating loss		(189,961,005)	(63,642,968)
Loss before income tax	20	(189,961,005)	(63,642,968)
Income tax credit		27,640,823	—
Loss for the period attributable to the equity holders of the Company		(162,320,182)	(63,642,968)

Consolidated statement of comprehensive income

For the period ended 31 December 2020

	Unaudited Year ended 31 December 2020	Audited Year ended 31 December 2019
	RMB	RMB
Loss for the period	(162,320,182)	(63,642,968)
Other comprehensive income	—	—
Total comprehensive income for the period attributable to the equity holder of the Company	(162,320,182)	(63,642,968)

Consolidated statement of changes in equity

For the period ended 31 December 2020

		Paid-in capital	Equity loan	Accumulated losses	Total
	Note	RMB	RMB	RMB	RMB
Balance at 1 January 2019		87,813	—	(1,379,246)	(1,291,433)
Comprehensive income					
Loss for the period		—	—	(63,642,968)	(63,642,968)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(63,642,968)	(63,642,968)
Inception of equity-natured shareholder's loans		—	1,922,558,997	—	1,922,558,997
Balance at 31 December 2019		87,813	1,922,558,997	(65,022,214)	1,857,624,596
Balance at 1 January 2020		87,813	1,922,558,997	(65,022,214)	1,857,624,596
Comprehensive income					
Loss for the period		—	—	(162,320,182)	(162,320,182)
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	(162,320,182)	(162,320,182)
Inception of equity-natured shareholder's loans	17	—	875,460,900	—	875,460,900
Balance at 31 December 2020		87,813	2,798,019,897	(227,342,396)	2,570,765,314

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the period ended 31 December 2020

	Note	Unaudited Year ended 31 December 2020 RMB	Audited Year ended 31 December 2019 RMB
Cash flows from operating activities			
Cash used in operations	21	(901,787,234)	(1,048,458,436)
Net used in operating activities		(901,787,234)	(1,048,458,436)
Cash flows from investing activities			
Interest received		8,185,886	272,339
Disposal of financial assets at fair value through profit or loss		12,386,100	—
Purchase of fixed assets		(3,044,227)	(52,466,196)
Purchase of financial assets at fair value through profit or loss		(30,820,020)	(11,146,342)
Net used in investing activities		(13,292,261)	(63,340,199)
Cash flows from financing activities			
Issuance of bonds		450,450,000	424,371,178
Proceeds from borrowing		837,210,300	200,000,000
Repayment of borrowing		(167,900,000)	—
Shareholder's loans from immediate holding company		875,460,900	880,983,552
Interest paid		(68,447,177)	(1,583,333)
Net cash generated from financing activities		1,926,774,023	1,503,771,397
Net increase in cash and cash equivalents		1,011,694,528	391,972,762
Cash and cash equivalents at beginning of the period		390,896,716	1,615,713
Effects of exchange rate changes on cash and cash equivalents		(33,336,745)	(2,691,759)
Cash and cash equivalents at end of the period		1,369,254,499	390,896,716

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the unaudited consolidated financial information

1. General information

Re IV Limited (the "Company") and its subsidiaries (the "Group") are engaged in land and property development in the People's Republic of China (the "PRC"). The Company is a limited liability incorporated in Hong Kong on 13 November 2018. The registered address is 2602, Universal Trade Centre, 3-5A Arbutnot Road, Central, Hong Kong.

These unaudited consolidated financial information are presented in Renminbi ("RMB"), unless otherwise stated.

2. Basis of preparation

The unaudited financial information relating to the year ended 31 December 2020 and the financial information relating to the year ended 2019 included in this preliminary announcement of annual results 2020 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 2019, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2020 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662 (3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 December 2019. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406 (2), 407 (2) or (3) of the Companies Ordinance.

The Financial Information does not include all the notes of the type normally included in an annual financial statement. Accordingly, it should be read in conjunction with the financial information for the year ended 31 December 2019.

The accounting policies adopted are consistent with those of the previous financial year.

(a) New standards, new interpretation and amendments to existing standards that have been adopted by the Company

The following new standards, new interpretation and amendments to existing standards are mandatory for accounting periods beginning on or after 1 January 2020:

IAS 1 and IAS 8 Amendment	Definition of material
IFRS 3 Amendment	Definition of a business
IFRS 9, IAS 39 and IFRS 7 (Amendments)	Interest Rate Benchmark Reform
Revised Conceptual Framework for Financial Reporting	

The application of the new standards, new interpretation and amendments to existing standards in the current period has had no material effect on the Company's financial performance and position for the current period.

Notes to the unaudited consolidated financial information

2. Basis of preparation (Continued)

(b) New standards, new interpretation and amendments to existing standards that have been issued but are not yet effective and have not been early adopted by the Company

The following new standards, new interpretation and amendments to existing standards have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2021 or later periods, but the Company has not early adopted them:

IFRS 17	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 16	Covid-19-related Rent Concessions
Annual Improvements to IFRS Standards 2018–2020	

The Company is in the process of assessing the impact of other new standards, new interpretation and amendments to existing standards upon initial application.

3. Segment information

The Group is principally engaged in the land and property development.

The executive management, consisting of the Group CEO and Senior Partner of the Company (the "Executive Management") are regarded as the chief operating decision makers of the Group. The Executive Management review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Management considers the business from geographic perspectives. Reportable geographic segments identified are Yantai, Chengde, Qingdao, Pingdu, Shenyang and Tai'an.

The Executive Management assesses the performance of the operating segments based on the segment results. Corporate income/ expenses and other (losses)/gains, are not included in the results for each operating segment that is reviewed by the Executive Management.

Notes to the unaudited consolidated financial information

3. Segment information (Continued)

(a) Segment results

Segment results for the year ended 31 December 2020 and 2019 are as follows:

	Segment result	
	2020	2019
	RMB	RMB
Property development		
Yantai	(81,407,776)	(49,473,434)
Chengde	(20,111,704)	(1,441,277)
Pingdu	(14,268,358)	(832,450)
Qingdao	(16,486,714)	—
Shenyang	(18,632,570)	—
Tai'an	(16,282,676)	—
Total	(167,189,798)	(51,747,161)
Unallocated corporate expenses	(10,878,496)	(816,302)
Other gains/(losses), net	(11,892,711)	(11,079,505)
Loss before tax	(189,961,005)	(63,642,968)

The Group primarily operates in Mainland China. The unallocated corporate expenses mainly consists of administrative expenses of the head office.

Notes to the unaudited consolidated financial information

3. Segment information (Continued)

(b) Other profit and loss disclosure

Amounts included in the measurement of segment result for the year 2020 and 2019 are as follows:

	Selling expenses		Depreciation of property, plant and equipment	
	2020	2019	2020	2019
	RMB	RMB	RMB	RMB
Property development				
Yantai	(63,871,942)	(23,182,700)	(18,389,204)	(76,034)
Chengde	(5,929,413)	—	(220,426)	—
Pingdu	(8,769,739)	(150,000)	(278)	—
Qingdao	(5,982,181)	—	(6,744)	—
Shenyang	(11,029,707)	—	(20,285)	—
Tai'an	(281,646)	—	—	—
	(95,864,628)	(23,332,700)	(18,636,937)	(76,034)

Notes to the unaudited consolidated financial information

3. Segment information (Continued)

(c) Segment assets

The segment assets by geographical areas are as follows:

	Segment assets		Addition to non-current assets	
	2020	2019	2020	2019
	RMB	RMB	RMB	RMB
Property development				
Yantai	3,996,204,060	1,962,905,907	270,695	52,390,161
Chengde	925,486,320	583,290,824	609,450	—
Pingdu	359,238,550	128,074,043	30,493	—
Qingdao	545,911,833	—	105,216	—
Shenyang	1,123,192,384	—	2,028,373	—
Tai'an	850,477,062	—	—	—
Total segment assets	7,800,510,209	2,674,270,774	3,044,227	52,390,161
Unallocated assets:				
Prepayments and other receivables	—	348,213,000		
Financial assets at fair value through profit or loss	22,010,332	7,029,841		
Cash and cash equivalents	791,158,080	301,844,979		
	813,168,412	657,087,820		

As at 31 December 2020 and 2019, segment assets were located in Mainland China. Investments in financial assets are managed by head office and are not considered to be segment assets.

(d) Segment liabilities

No liabilities are included in the internal reporting that are used by the Executive Management for performance assessment and resource allocation. Accordingly, no segment liabilities are presented.

Notes to the unaudited consolidated financial information

4. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, wither directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2020 and 2019.

	Level 1	Level 2	Level 3	Total
	RMB	RMB	RMB	RMB
At 31 December 2020				
Financial assets at fair value through profit or loss	—	22,010,332	—	22,010,332
At 31 December 2019				
Financial assets at fair value through profit or loss	—	7,029,841	—	7,029,841

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. There was no instrument included in level 1 at 31 December 2020 and 2019.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instrument included in level 1 represent Foreign Currency Option.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Instruments included in Level 3 represent unlisted equity securities. There was no instrument included in Level 3 at 31 December 2020 and 2019.

Except for financial assets at fair value through profit or loss, the carrying amounts of the Group's financial assets and financial liabilities approximated their fair values due to their short maturities.

Notes to the unaudited consolidated financial information

5. Fixed assets

	Temporary sales centre	Electronic equipment	Office equipment	Total
	RMB	RMB	RMB	RMB
Year ended 31 December 2019				
Opening net book amount	—	—	—	—
Additions	51,687,913	435,596	342,687	52,466,196
Depreciation	—	(67,485)	(8,549)	(76,034)
Closing net book amount	51,687,913	368,111	334,138	52,390,162
As at 31 December 2019				
Cost	51,687,913	435,596	342,687	52,466,196
Accumulated depreciation	—	(67,485)	(8,549)	(76,034)
Net book amount	51,687,913	368,111	334,138	52,390,162
Year ended 31 December 2020				
Opening net book amount	51,687,913	368,111	334,138	52,390,162
Additions	2,099,287	702,188	242,752	3,044,227
Depreciation	(18,334,478)	(218,862)	(83,597)	(18,636,937)
Closing net book amount	35,452,722	851,437	493,293	36,797,452
As at 31 December 2020				
Cost	53,787,200	1,137,784	585,439	55,510,423
Accumulated depreciation	(18,334,478)	(286,347)	(92,146)	(18,712,971)
Net book amount	35,452,722	851,437	493,293	36,797,452

Notes to the unaudited consolidated financial information

6. Properties under development for sale

	RMB
At 1 January 2019	1,291,108,000
Additions	1,023,656,400
<hr/>	
At 31 December 2019	2,314,764,400
Additions	3,956,724,620
<hr/>	
At 31 December 2020	6,271,489,020

7. Prepayments, deposits and other receivables

	2020	2019
	RMB	RMB
Prepayment of expenses to related party (note 24)	55,587,045	—
Note receivable	4,358,859	—
Land tender and other deposits	3,858,900	408,213,000
Prepayments to contractors	121,381,051	8,892,678
Tax prepayment	245,568,316	24,799,034
Others	5,143,676	230,271
	<hr/>	<hr/>
	435,897,847	442,134,983

The fair values of prepayments, deposits and other receivables are not materially different from their book values and are denominated in RMB.

Notes to the unaudited consolidated financial information

8. Contract acquisition cost

	2020	2019
	RMB	RMB
Contract acquisition cost	53,128,752	—

The contract acquisition cost pertains sales commission for contracted property sales. The cost has been deferred to the balance sheet and will be charged to the Profit and Loss statement when the related revenue is recognized.

9. Financial assets at fair value through profit or loss

	2020	2019
	RMB	RMB
Foreign currency option	22,010,332	7,029,841

The foreign currency option grants:

- a. The right to purchase Swedish Krona (SEK) of SEK 681,000,000 from RMB 539,961,941 at the rate of 1.2612 until 12 March 2021 (31 December 2019: SEK 735,000,000 from RMB 553,047,404 at the rate of 1.3290 on 9 March 2020).
- b. The right to purchase Swedish Krona (SEK) of SEK 350,000,000 from RMB 276,679,842 at the rate of 1.2650 until 15 July 2021 (31 December 2019: Nil)

Changes in fair values of financial assets at fair value through profit or loss are recorded in the other gains/(losses)-net, in the consolidated income statement.

10. Restricted cash

The amount represented guarantee deposits for construction of pre-sale properties denominated in RMB placed in designated bank accounts.

In accordance with relevant government requirements, certain property development companies of the Group are required to place in designated bank accounts certain amount of pre-sale proceeds as guarantee deposits for the constructions of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained. Unused guarantee deposits will be released after the completion of construction of the related properties.

Notes to the unaudited consolidated financial information

11. Borrowing

	2020	2019
	RMB	RMB
Secured long-term bank borrowing	872,331,468	200,000,000
Less: Amounts repayable within 1 year included in current liabilities	(390,169,706)	(100,000,000)
	<u>482,161,762</u>	<u>100,000,000</u>

The maturity of the secured long-term bank borrowing is as follow:

	2020	2019
	RMB	RMB
Within 1 year		
- Borrowing from banks in China	387,100,000	100,000,000
- Borrowing from bank in Sweden	3,069,706	—
In the second year		
- Borrowing from banks in China	205,000,000	100,000,000
- Borrowing from bank in Sweden	277,161,762	—
	<u>872,331,468</u>	<u>200,000,000</u>

Notes:

(a) During the year, the Company received a two-year credit from a Swedish bank amounting to SEK 350,000,000. As at 31 December 2020, the borrowing amounted to RMB 280,231,468 (31 December 2019: Nil).

(b) As at 31 December 2020, borrowings from banks in China amounted to RMB 592,100,000 (31 December 2019: RMB 200,000,000). The borrowings are secured by the related project companies' properties under development. (31 December 2019: same)

The maturity date of the borrowings from banks in China is two years or based on specific hurdles of the property pre-sale, whichever is earlier. A 20% repayment of the principal amount is due when the contracted pre-sales area reaches 30% of the saleable area. When pre-sales reach 50%, a 50% repayment is required. The outstanding amount shall be fully repaid when the contracted pre-sales area for the project reaches 80% of the saleable area.

As at 31 December 2019, the management team estimated that the contracted pre-sales area will reach 50% of the saleable area in 2020, which means a 50% repayment of the principal amount.

As at 31 December 2020, the management team estimated that the contracted pre-sales area of one of the projects will reach 100% of the saleable area within one year, and another project is expected to reach 50% pre-sales, which will then trigger a full repayment and 50% repayment, respectively.

The Chinese bank borrowing is denominated in RMB.

Notes to the unaudited consolidated financial information

12. Bonds payable

	2020	2019
	RMB	RMB
Current	27,145,862	21,543,967
Non-current	930,633,683	432,974,510
	<u>957,779,545</u>	<u>454,518,477</u>

On 5 July 2019, the company issued SEK 600,000,000 Senior Secured Fixed Rate Bonds. The term of the bonds is 3 years and the coupon is 9%. On 27 November 2020, the company issued another SEK 600,000,000 Senior Secured Fixed Rate Bonds. The term of the bonds is 3 years and the coupon is 8%.

The current portion represented interest accrued at the period/year end date.

13. Trade and other payables

	2020	2019
	RMB	RMB
Tender deposit from contractors	—	177,460,000
Accruals to contractors	1,201,493,694	130,373,837
Other current tax payable	40,608,855	28,360,727
Other payables	30,355,814	11,507,102
	<u>1,272,458,363</u>	<u>347,701,666</u>

The fair values of trade and other payables are not materially different from their book values.

The carrying amounts of trade and other payables are denominated in RMB.

Notes to the unaudited consolidated financial information

14. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	2020	2019
	RMB	RMB
Contract liabilities for pre-sale property (Note a)	2,705,060,088	396,513,855
Contract liabilities for construction service (Note b)	35,283,843	75,000,000
	2,740,343,931	471,513,855

The Group has received payments from customers based on contracts pertaining to its pre-sale activities and construction service. Payments under pre-sale contracts are usually received in advance (i.e. before the recognition of revenue and before the transfer of property or any services are performed). The contract liabilities related to property sales increased during the year since the Group has initiated its pre-sale of certain properties during the year.

(a) The following table shows the amount of unsatisfied performance obligations resulting from fixed price contracts from property pre-sale with an original expected timing of revenue recognition in more than one year:

	2020	2019
	RMB	RMB
Revenue expected to be recognised after one year	3,225,602,910	636,678,298

As at 31 December 2020, the Group has cumulative contract sum from pre-sale of residential properties of RMB 3,225,602,910 (31 December 2019: RMB 636,678,298) with cumulative contract GFA from pre-sale of residential properties of 298,457 (31 December 2019: 61,381) square meters.

(b) The following table shows the amount of unsatisfied performance obligations resulting from variable price contracts from construction service with an original expected timing of revenue recognition:

	2020	2019
	RMB	RMB
Revenue expected to be recognised within one year	73,380,984	—
Revenue expected to be recognised after one year	—	125,000,000
	73,380,984	125,000,000

Notes to the unaudited consolidated financial information

15.	Financial liabilities at fair value through profit or loss		
		2020	2019
		RMB	RMB
	Financial liabilities at fair value through profit or loss	200,000,000	—
16.	Paid-in capital		
		2020	2019
		RMB	RMB
	Issued and fully paid	87,813	87,813
17.	Equity loans		
		2020	2019
		RMB	RMB
	Shareholder's loans - White Peak Holdings IV Limited	2,798,019,897	1,922,558,997
	<p>During the period ended 31 December 2018, the immediate holding company, White Peak Holdings IV Limited, has provided an interest free shareholder loan to the Company, which is subordinated to the bonds. The loan was interest free, unsecured and with no fixed repayment terms. During the year ended 31 December 2019, the immediate holding company had provided other loans of similar terms and made the whole balance as non-reciprocal in nature and the Company is not required to pay back the loan. During the year ended 31 December 2020, the immediate holding company provided additional loan of RMB 875,460,900, which was also of similar terms as above and was non-reciprocal in nature. Considering the equity characteristics of the shareholder's loans, they have been classified as equity in its entirety.</p>		
18.	Deferred income tax assets		
		2020	2019
		RMB	RMB
	Deferred tax assets:		
	- Tax losses	27,640,823	—
19.	Revenue		
		Year ended 31 December 2020	Year ended 31 December 2019
		RMB	RMB
	Construction services	51,619,016	—

Revenue of construction service is recognized over time by construction progress.

Notes to the unaudited consolidated financial information

20. Expenses by nature

Expenses included in cost of sales, selling expenses, administrative expenses, finance cost and other losses/(gains) are analyzed as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	RMB	RMB
Cost of construction service		
- Development costs	50,938,995	—
Professional service expenses	41,147,788	20,606,910
Employee benefit expense	21,725,611	9,057,749
Marketing expenses	53,845,539	14,303,883
Contract acquisition cost	53,128,752	—
Less: Contract acquisition cost related to property sales recognised	(53,128,752)	—
Office and consumption	13,774,103	4,049,632
Tax and levies	8,590,488	3,625,526
Travel and accommodation	956,821	665,924
Depreciation	18,636,937	76,034
Operating lease payments	64,513	332,448
Fair value loss of financial assets at fair value through profit or loss	3,453,429	4,116,501
Foreign exchange difference	76,689,520	15,566,336
Less: Foreign exchange difference capitalized to properties under development for sales	(43,497,206)	(8,603,332)
Finance cost	88,230,886	23,127,300
Less: Finance cost capitalized to properties under development for sales	(88,230,886)	(23,127,300)
Others	3,439,369	117,696
	249,765,907	63,915,307

Notes to the unaudited consolidated financial information

21. Cash flow information

(a) Cash used in operations

	Year ended 31 December 2020	Year ended 31 December 2019
	RMB	RMB
Loss before income tax	(189,961,005)	(63,642,968)
Adjustments for:		
– Depreciation	18,636,937	76,034
– Finance income	(8,185,886)	(272,339)
– Exchange losses	33,336,745	6,963,004
– Fair value loss on financial assets at fair value through profit or loss	3,453,429	4,116,501
Operating loss before working capital changes	(142,719,780)	(52,759,768)
Changes in working capital:		
– Increase in restricted cash balances	(273,317,404)	(124,142,492)
– Increase in properties under development for sale	(3,832,445,207)	(991,925,768)
– Decrease/(increase) in prepayment, deposits and other receivables	6,237,136	(442,134,983)
– Increase in contract acquisition cost	(53,128,752)	—
– Increase in trade and other payables	924,756,697	90,990,720
– Increase in contract liabilities	2,268,830,076	471,513,855
– Increase in financial liabilities at fair value through profit or loss	200,000,000	—
Cash used in operations	(901,787,234)	(1,048,458,436)

22. Financial guarantees

The financial guarantees represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain customers from sales of properties. The outstanding guarantees amounted to RMB 1,001,484,560 as at 31 December 2020 (31 December 2019: RMB 74,360,000).

Such guarantees terminate upon: (i) the issuance of the real estate ownership certificate which will generally be available within six months after the Company delivers possession of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

Notes to the unaudited consolidated financial information

23. Capital commitments

Commitments for properties under development

Commitments represent the contracted but not incurred development cost, mainly of construction contractors, attributable to properties under development for sales as at 31 December 2020 and 2019 as follows:

	As at 31 December 2020	As at 31 December 2019
	RMB	RMB
Contracted but not provided for	2,733,142,302	491,364,997

24. Related party transactions

Name	Relationship with the Company
White Peak Holdings IV Limited	Immediate holding company
White Peak Real Estate IV L. P.	Ultimate holding company
WP Group Limited	Controlled by the same key management
Beijing Dingfeng Real Estate Investment Consulting Company Limited (the Beijing Dingfeng)	Controlled by the same key management

(1) Purchase of service

	Year ended 31 December 2020	Year ended 31 December 2019
	RMB	RMB
Capitalised to properties under development:		
Initial construction design consultancy fees, site investigation fees, safety inspection fees and engineering quality control fees to Beijing Dingfeng	40,937,752	49,202,568
Recognised as consulting expenses in income statement:	27,994,143	—
	68,931,895	49,202,568

Capitalised to properties under development:

Initial construction design consultancy fees, site investigation fees, safety inspection fees and engineering quality control fees to Beijing Dingfeng

Recognised as consulting expenses in income statement:

Notes:

Initial construction design consultancy fees, site investigation fees, safety inspection fees and engineering quality control fees were paid to Beijing Dingfeng Real Estate Investment Consulting Co. Ltd, which are charged based on actual cost incurred.

Notes to the unaudited consolidated financial information

24. Related party transactions (continued)

(2) Balance with related parties (note 7)

	2020	2019
	RMB	RMB
Prepayment to Beijing Dingfeng	55,587,045	—

25. Implications of COVID-19

Regarding the outbreak of COVID-19, the White Peak management team is monitoring the situation closely. So far none of our employees nor their families have been infected. Both the headquarter in Beijing and our respective project offices have been able to maintain normal operation as the strict control measures implemented by the Chinese government have proven to be effective. The onsite constructions and sales have so far also been going according to plan. We are, however, conscious about the global impact of COVID-19 on the Chinese economy and will continue to closely monitor the situation and be financially prudent.

26. Subsequent event

On 1 February 2021, a subsidiary acquired a land successfully in Linyi city, Shandong province. The price of the land is RMB 880,000,000.

