



保利置業集團有限公司

POLY PROPERTY GROUP CO., LTD.

Incorporated in Hong Kong with limited liability

Stock Code : 00119

2024



至真 · 致美 · 置吾鄉

THE ESSENCE OF  
TRUTH AND BEAUTY DEFINES MY HOME

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

WAN Yuqing (*Chairman*)

HU Zaixin (*Managing Director*) (appointed on 14 March 2024)

YE Liwen

#### Non-executive Director

CHEN Yuwen

#### Independent Non-executive Directors

IP Chun Chung, Robert (resigned on 22 May 2024)

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

NG Kim Lam (appointed on 22 May 2024)

### AUDIT COMMITTEE

LEUNG Sau Fan, Sylvia (*Chairlady*)

CHEN Yuwen

IP Chun Chung, Robert (resigned on 22 May 2024)

FUNG Chi Kin

WONG Ka Lun

NG Kim Lam (appointed on 22 May 2024)

### REMUNERATION COMMITTEE

WONG Ka Lun (*Chairman*)

HU Zaixin (appointed on 22 May 2024)

CHEN Yuwen (appointed on 22 May 2024)

IP Chun Chung, Robert (resigned on 22 May 2024)

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

### NOMINATION COMMITTEE

WAN Yuqing (*Chairman*)

YE Liwen

IP Chun Chung, Robert (resigned on 22 May 2024)

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

WAN Yuqing (*Chairman*) (resigned on 22 May 2024)

NG Kim Lam (*Chairman*) (appointed on 22 May 2024)

HU Zaixin (appointed on 22 May 2024)

YE Liwen (appointed on 22 May 2024)

CHEN Yuwen

IP Chun Chung, Robert (resigned on 22 May 2024)

FUNG Chi Kin

### COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE

WONG Cheuk Him

### LEGAL ADVISER

Morrison & Foerster (resigned on 4 September 2024)

Jingtian & Gongcheng LLP (appointed on 5 September 2024)

### AUDITOR

Baker Tilly Hong Kong Limited

### PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of Beijing Co., Ltd.

Bank of China Limited

Bank of Communications Co., Ltd.

Bank of Shanghai Co., Ltd.

China Citic Bank Corporation Limited

China CITIC Bank International Limited

China Construction Bank Corporation

China Everbright Bank Co., Ltd.

China Guangfa Bank Co., Ltd.

China Merchants Bank Co., Ltd.

China Minsheng Bank Corp., Ltd.

China Zheshang Bank Co., Ltd.

CMB Wing Lung Bank Limited

Hua Xia Bank Co., Limited

Industrial and Commercial Bank of China Limited

Industrial and Commercial Bank of China (Asia) Limited

Industrial Bank Co., Ltd.

Malayan Banking Berhad

Ping An Bank Co., Ltd.

Postal Savings Bank of China Limited

Shanghai Pudong Development Bank Co. Ltd.

### INVESTOR RELATIONS CONSULTANT

Wonderful Sky Financial Group

### SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East, Hong Kong

### REGISTERED OFFICE

Room 2503, Admiralty Centre, Tower 1

18 Harcourt Road, Hong Kong

### COMPANY WEBSITE

[www.polyhongkong.com](http://www.polyhongkong.com)

## MANAGEMENT DISCUSSION AND ANALYSIS

For the first half of 2024, the Group recorded a revenue of RMB12,457 million (corresponding period of 2023: RMB15,639 million), representing a decrease of RMB3,182 million or 20.3% when comparing with the corresponding period of last year. Profit attributable to shareholders amounted to RMB373 million (corresponding period of 2023: RMB639 million), indicating a decrease of RMB266 million or 41.6% from the corresponding period of last year. Basic and diluted earnings per share stood at RMB9.77 cents (corresponding period of 2023: RMB16.73 cents). As at 30 June 2024, shareholders' equity of the Group amounted to RMB34,208 million (31 December 2023: RMB34,100 million), indicating a 0.3% increase from last year end. Net asset value per share amounted to RMB8.95 (31 December 2023: RMB8.92).

### BUSINESS REVIEW

In the first half of the year, the deepening of domestic structural adjustment brought new challenges to economic development, while the external environment became more complex and severe, with uncertainties rising significantly. The Central Government introduced a series of macro-control policies, which played a positive role in promoting the stable operation of the economy and guiding the restructuring and upgrading of industries. Gross Domestic Product (GDP) representing a year-on-year increase of 5.0% is a precious achievement, indicating that China's economy continued to recover.

The overall downward pressure on the real estate market is significant. In the first half of the year, the national real estate development investment decreased year-on-year by 10.1%, reaching the lowest level in the past year. The sales amount of newly-built commercial housing was RMB4.7 trillion, representing a year-on-year decrease of 25.0%, being only forty percent of last year's sales. In May, various departments introduced a series of major policies, including lowering required percentage of down payments and interest rates for housing loans, and supporting the government to purchase unsold homes. Key cities have loosened restrictions on purchases and household registration policies, aiming to help the property market bottom out as soon as possible.

During the period, Poly Property Group (the Group, together with its joint ventures and associates) completed a contracted sales amount of RMB28.4 billion, representing a year-on-year decrease of 24%, outperforming its peers. According to CRIC, the cumulative sales of the top 100 real estate companies from January to June decreased year-on-year by 39.5%. As of the end of June, the Group ranked 17th on the CRIC list in term of the total sales amount, an increase of 10 places from the end of last year. In a difficult market environment, sales flow and cash collection were secured through strategic investment and high-quality delivery.

The Group took a cautious approach to expansion during the year and placed greater emphasis on the quality of projects. Sluggish sales in the market, coupled with the tightened supervision of pre-sale fund, have led to greater challenges in cash flow management for real estate enterprises. On the other hand, local governments have tightened land supply to regulate market supply and demand, while enterprises have become more focused on their land acquisition, which has intensified competition. In the first half of the year, Poly Property Group acquired a total of 3 projects in Ningbo and Jinan, with newly acquired land reserve of approximately 668,000 square metres. Replenishing the high-quality saleable resources in areas that show relative resilience and brand development, helped to retain the margin of safety.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group fully grasped the window period of financing and actively responded to the favorable policies, obtained another RMB5 billion corporate bond quota during the period, and completed the issuance of RMB1.5 billion corporate bonds in the first half of the year, with coupon rates of 3+2 years and 5+2 years tranches as low as 2.5% and 2.8% respectively. By actively replacing existing debts, the average funding cost of the Group was reduced to 3.67%, a further reduction of 21 basis points compared with the end of last year.

The Conference of the Central Politburo held in late July proposed to implement new policies to promote the steady and healthy development of the real estate market and accelerate the construction of a new model of real estate development. It is expected that policies in the second half of the year will focus on digesting existing stocks and optimizing increments, with efforts to prevent and resolve market risks. In the process of maintaining the bottom consolidation of the industry, the Group will continue to strive for the continuous improvement of asset quality and capital structure, actively explore high-quality real estate development paths, and strive to make long-term contributions.

### PROPERTY SALES

In the first half of 2024, Poly Property Group recorded contracted area sold of approximately 1,114,000 square metres, and contracted sales of approximately RMB28.4 billion in value. Poly Property Group had 127 major projects for sale, with three of them being debut projects, namely Hangzhou Jade Urban, Jinan Poly Quehua Peak Scenery and Suzhou Poly Junhua Fu.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the contracted sales of Poly Property Group by regions were as follows:

Region and City	Contracted Sales for the First Half of 2024 (RMB million)	Percentage (%)
<b>Yangtze River Delta Region</b>	<b>11,245</b>	<b>40%</b>
Shanghai	4,081	
Kunshan	1,746	
Changzhou	266	
Taicang	15	
Suzhou	1,405	
Changshu	12	
Ningbo	1,735	
Ninghai	276	
Hangzhou	1,709	
<b>Pearl River Delta Region</b>	<b>3,615</b>	<b>13%</b>
Guangzhou	1,746	
Foshan	557	
Shenzhen	1,115	
Huizhou	197	
<b>Southwestern Region</b>	<b>2,268</b>	<b>8%</b>
Guiyang	249	
Zunyi	14	
Nanning	1,346	
Liuzhou	84	
Kunming	575	
<b>Other Regions</b>	<b>5,100</b>	<b>18%</b>
Wuhan	696	
Harbin	200	
Mudanjiang	11	
Jinan	3,187	
Yantai	153	
Weihai	193	
Zibo	44	
Weifang	4	
Tai'an	85	
Wanning	525	
<b>Hong Kong</b>	<b>6,216</b>	<b>22%</b>
Hong Kong	6,216	
<b>Total</b>	<b>28,443</b>	<b>100%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- Contracted sales include car park sales;
- Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.

In the second half of 2024, subject to construction progress and market conditions, Poly Property Group plans to launch 6 new projects which include Shanghai Yang Pu Project, Suzhou Jinxi Street Project, Ningbo Hai Shu Project, Ningbo Lianhu Road Project, Jinan Western CBD Project and Jinan Cultural and Tourism City Project.

### NEWLY COMMENCED CONSTRUCTION

In the first half of 2024, Poly Property Group commenced construction on a total of 6 new projects with a gross floor area of approximately 667,000 square metres. Among which, 3 projects commenced construction for the first time, namely, Suzhou Jinxi Street Project, Ningbo Lianhu Road Project and Jinan Poly Quehua Peak Scenery.

Project	Gross Floor Area of Newly Commenced Construction ('000 square metres)	Interests Attributable to the Group (%)
Shanghai Poly Center Manor	150	51%
Suzhou Jinxi Street Project	119	40%
Ningbo Lianhu Road Project	206	60%
Guiyang Poly Bright Moon on Top	82	100%
Jinan Poly Quehua Peak Scenery	83	51%
Wanning Poly Peninsula No.1	27	100%
<b>Total</b>	<b>667</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS

### RECOGNISED PROPERTY SALES

In the first half of 2024, the Group recognised a total sales value of approximately RMB11,389 million and a total gross floor area of approximately 674,000 square metres. Details of recognised property sales as follows:

Region and City	Sales Recognised in the First Half of 2024 (RMB million)	Percentage (%)
<b>Yangtze River Delta Region</b>	<b>4,471</b>	<b>39%</b>
Shanghai	618	
Changzhou	823	
Suzhou	505	
Changshu	8	
Ningbo	2,465	
Hangzhou	51	
<b>Pearl River Delta Region</b>	<b>2,924</b>	<b>26%</b>
Guangzhou	826	
Foshan	620	
Shenzhen	1,377	
Huizhou	102	
<b>Southwestern Region</b>	<b>2,721</b>	<b>24%</b>
Guiyang	282	
Zunyi	14	
Nanning	1,892	
Liuzhou	70	
Kunming	463	
<b>Other Regions</b>	<b>1,270</b>	<b>11%</b>
Wuhan	431	
Harbin	166	
Mudanjiang	10	
Jinan	342	
Yantai	118	
Weihai	21	
Zibo	56	
Tai'an	112	
Wanning	15	
<b>Hong Kong</b>	<b>2</b>	<b>0%</b>
Hong Kong	2	
<b>Total</b>	<b>11,389</b>	

Note:

Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.



## MANAGEMENT DISCUSSION AND ANALYSIS

### NEW LAND RESERVES

In the first half of 2024, Poly Property Group acquired three new projects, which are located in Ningbo and Jinan. The planned total gross floor area of the new projects amounted to approximately 668,000 square metres with land cost at a reasonable level.

New Projects	Planned Property Type	Total Site Area (‘000 square metres)	Planned Total Gross Floor Area (‘000 square metres)	Interests Attributable to the Group (%)
Ningbo Lianhu Road Project	Residential and Commercial	66	206	60%
Jinan Western CBD Project	Residential and Commercial	12	66	30%
Jinan Cultural and Tourism City Project	Residential and Commercial	108	395	34%
<b>Total</b>		<b>186</b>	<b>668</b>	

#### Ningbo Lianhu Road Project

The project is located in the East New Town, Ningbo, which is the new political, financial and exhibition centre of the city. It is approximately 200 metres away from the Donghuan South Road Station of Metro Line 1, offering convenient transportation. The surrounding development is mature, with comprehensive education, medical and commercial facilities, ensuring a perfect living environment. The project, with a planned total gross floor area of approximately 206,000 square metres, is intended to be developed into high-rise residential buildings.

#### Jinan Western CBD Project

The project is located in the CBD area of Lixia District, Jinan, neighbouring the Second Ring East Road in the east and Jiefang East Road in the north, both of which are iconic trunk roads, enjoying convenient transportation. Jinan’s key schools, Dianliu No.1 Primary School and Dianliu No.1 Middle School, are both located on the west side of the project, and with complete commercial and medical facilities in the vicinity and high convenience in life. There are landscape resources such as Quanfu River, Yanchi Mountain, Maoling Mountain and Baihua Park around the project, enjoying an advantageous geographical position. The project, with a planned total gross floor area of approximately 66,000 square metres, is intended to be developed into high-rise residential buildings.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Jinan Cultural and Tourism City Project

The project is located in Lianhuashan area of Licheng District, Jinan, about 1 kilometer away from Jingshi Road and Lyuyou Road, both of which are the iconic transportation trunk roads in Jinan, making transportation convenient. The surrounding development is relatively mature, with complete educational, commercial and medical facilities. The project is surrounded by landscape resources such as Hancang River, Fenghuangshan Mountain and Lianhuashan Mountain Park, providing a prime geographical location. The project, with a planned total gross floor area of approximately 395,000 square metres, is intended to be developed into high-rise residential buildings.

### INVESTMENT PROPERTIES

The Group has various investment properties and hotels located in first-tier cities and second-tier provincial capitals. Its investment properties have a total gross floor area of approximately 669,000 square metres and asset value of approximately RMB8,741 million.

Location	Major Investment Properties and Hotels	Gross Floor Area Held ('000 square metres)	Interests Attributable to the Group (%)	Property Type
<b>Investment properties</b>				
Beijing	Beijing Poly Plaza	15	75%	Office
Shanghai	Shanghai Poly Plaza (partial)	30	100%	Office and commercial
Shanghai	Shanghai Stock Exchange Buildings (partial)	48	100%	Office
Shenzhen	Shenzhen Poly Cultural Plaza (partial)	135	100%	Commercial
Wuhan	Wuhan Poly Plaza (partial)	56	100%	Office
<b>Hotels</b>				
Beijing	Beijing Poly Plaza Hotel	63	75%	Hotel
Shanghai	Hyatt Regency Shanghai Jiading	69	100%	Hotel
Wuhan	Wuhan Poly Hotel	28	100%	Hotel

### PROPERTY MANAGEMENT

The Group has various property management companies engaging in the management of residential, commercial, offices, hotels, theatres and other property types. They have been the leading players in the property management industry in China and have received many titles and awards.

In the first half of 2024, the Group's property management companies recorded revenue of RMB586 million in aggregate, representing an increase of 3.0% when comparing with the corresponding period of last year. The companies managed a total of 285 property projects with a gross floor area under management of approximately 50,530,000 square metres, representing an increase of 1.8% when comparing with the corresponding period of last year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Liquidity and Capital Structure

As at 30 June 2024, total equity attributable to shareholders of the Company amounted to RMB34,208,406,000 (31 December 2023: RMB34,100,270,000), while the net asset value per share was RMB8.95 (31 December 2023: RMB8.92). As at 30 June 2024, the Group's gearing ratio (on the basis of the amount of total liabilities divided by the amount of total assets) was 78.2% (31 December 2023: 78.1%).

As at 30 June 2024, the Group had an outstanding bank and other borrowings (including the notes payable) of RMB74,593,233,000. In terms of maturity, the outstanding bank and other borrowings (including notes payable) can be divided into RMB22,620,929,000 (30.3%) to be repaid within one year, RMB20,675,406,000 (27.7%) to be repaid after one year but within two years, RMB21,840,537,000 (29.3%) to be repaid after two years but within five years, RMB9,456,361,000 (12.7%) to be repaid after five years. In terms of currency denomination, the outstanding bank and other borrowings (including the notes payable) can be divided into RMB65,312,304,000 (88%) in Renminbi, RMB3,549,000,000 (5%) in United State dollars, and RMB5,731,929,000 (7%) in Hong Kong dollars.

40% of the bank and other borrowings (including the notes payable) of the Group are subject to fixed interest rates and the remaining 60% are subject to floating interest rates. Therefore, under circumstances of interest rates uncertainty or fluctuations or otherwise as appropriate, the Group will consider the use of hedging instruments (including interest rates swaps), in order to manage interest rate risks.

As at 30 June 2024, the Group had a net current assets of RMB75,435,909,000 and total bank balances of RMB33,717,688,000 (31 December 2023: RMB77,146,991,000 and RMB31,858,360,000, respectively). With the available banking facilities and cash revenue from business operations, it is believed that the Group has sufficient resources to meet the foreseeable working capital demands and capital expenditure.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities, and foreign exchange revenue versus foreign exchange expenditures. The management believes that the foreign exchange rate between Hong Kong dollars and United States dollars is relatively stable. Due to recent fluctuation of Renminbi exchange rate against Hong Kong dollars, the Group closely monitors the fluctuation and adopts policy to minimise exchange rate risks, if necessary.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Pledged Assets

At the end of the reporting period, the carrying value of the Group's assets which were pledged to secure credit facilities granted to the Group are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Investment properties	<b>6,319,726</b>	5,008,576
Hotel properties	<b>1,670,000</b>	1,280,000
Buildings	<b>120,847</b>	90,970
Right-of-use assets	<b>210,868</b>	123,139
Properties under development	<b>20,792,155</b>	26,817,016
Properties held for sale	<b>1,057,945</b>	164,296
Bank deposits	<b>127,425</b>	226,443
	<b>30,298,966</b>	33,710,440

In addition to above pledge of assets, at 30 June 2024 and 31 December 2023, the Group's interests in certain subsidiaries were pledged to secure credit facilities granted to the Group. The details of net assets value of subsidiaries are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Total assets	<b>39,924,127</b>	43,069,200
Total liabilities	<b>(39,582,903)</b>	(42,764,844)
Net assets value	<b>341,224</b>	304,356

### Contingent Liabilities

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to RMB25,758,052,000 as at 30 June 2024 (31 December 2023: RMB27,693,189,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the purchasers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

## MANAGEMENT DISCUSSION AND ANALYSIS

At 30 June 2024, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to RMB6,632,812,000 (31 December 2023: RMB7,544,812,000), of which RMB4,859,152,000 (31 December 2023: RMB5,132,349,000) had been utilised by these associates and joint ventures.

### EMPLOYEES

As at 30 June 2024, the Group employed 6,124 (30 June 2023: 8,848) employees with remuneration for the period amounted to approximately RMB358,380,000. The Group provides its employees with various benefits including year-ended double-pay, discretionary bonus, contributory provident fund, share options and medical insurance. On-the-job training is also provided as and when required.

## INTERIM RESULTS

The directors (the “Directors/Board”) of Poly Property Group Co., Limited (the “Company”) hereby announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 with comparative figures for the six months ended 30 June 2023 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	2	12,456,641	15,639,163
Cost of sales		(10,680,723)	(11,699,027)
Gross profit		1,775,918	3,940,136
Decrease in fair value of investment properties		(34,460)	—
Increase in fair value of financial assets		33,033	38,570
Other gains, net	3	378,506	130,120
Selling expenses		(431,369)	(531,964)
Administrative expenses		(442,437)	(541,831)
Other operating expenses		(96,112)	(149,739)
Loss on disposal of net assets classified as held for sale	23	—	(1,026)
Finance costs		(707,433)	(819,183)
Share of results of associates		98,279	42,068
Share of results of joint ventures		5,435	(9,207)
Profit before income tax expense	4	579,360	2,097,944
Income tax expense	5	(330,718)	(1,378,938)
Profit for the period		248,642	719,006
Attributable to:			
Owners of the Company		373,227	639,214
Non-controlling interests		(124,585)	79,792
		248,642	719,006
<b>Earnings per share (expressed in RMB cents)</b>	7		
— Basic and diluted		9.77	16.73

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>
<b>Profit for the period</b>	<b>248,642</b>	719,006
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss:		
Surplus arising on revaluation of properties	<b>29,285</b>	58,495
Exchange differences arising on translation of functional currency to presentation currency	<b>(866)</b>	250,018
<b>Other comprehensive income before income tax effect</b>	<b>28,419</b>	308,513
Deferred tax liability arising on revaluation of properties	<b>(7,321)</b>	(14,624)
<b>Other comprehensive income for the period, net of tax</b>	<b>21,098</b>	293,889
<b>Total comprehensive income for the period</b>	<b>269,740</b>	1,012,895
Attributable to:		
Owners of the Company	<b>396,750</b>	932,798
Non-controlling interests	<b>(127,010)</b>	80,097
	<b>269,740</b>	1,012,895

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2024</b>	31 December 2023
	Notes	<b>RMB'000 (Unaudited)</b>	RMB'000 (Audited)
<b>Non-current assets</b>			
Investment properties	9	<b>8,740,975</b>	8,917,152
Property, plant and equipment	9	<b>3,432,315</b>	3,479,549
Right-of-use assets		<b>560,617</b>	582,901
Interests in associates		<b>2,835,000</b>	2,258,535
Interests in joint ventures		<b>6,097,420</b>	6,073,322
Financial assets at fair value through profit or loss	24	<b>746,080</b>	713,048
Loan receivables		<b>188,946</b>	196,030
Deposits paid for acquisition of land use rights		<b>426,693</b>	426,693
Deferred tax assets		<b>243,371</b>	249,751
<b>Total non-current assets</b>		<b>23,271,417</b>	22,896,981
<b>Current assets</b>			
Properties under development		<b>91,383,551</b>	102,092,369
Properties held for sale		<b>38,053,226</b>	32,309,830
Other inventories		<b>42,923</b>	41,038
Contract costs		<b>817,720</b>	491,253
Trade and other receivables	10	<b>7,820,138</b>	4,984,022
Amounts due from associates	11	<b>1,105,813</b>	758,277
Amounts due from joint ventures	12	<b>4,227,949</b>	4,285,403
Amounts due from non-controlling shareholders of subsidiaries		<b>2,905,694</b>	2,345,171
Taxation recoverable		<b>3,520,899</b>	3,748,248
Pledged bank deposits		<b>127,425</b>	226,443
Bank balances, deposits and cash		<b>33,590,263</b>	31,631,917
<b>Total current assets</b>		<b>183,595,601</b>	182,913,971



## INTERIM RESULTS

		<b>30 June 2024</b>	31 December 2023
	Notes	<b>RMB'000 (Unaudited)</b>	RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and other payables	13	<b>27,690,575</b>	29,913,119
Contract liabilities		<b>44,536,720</b>	40,802,298
Property rental deposits		<b>83,037</b>	83,234
Amounts due to associates	11	<b>1,456,349</b>	1,110,739
Amounts due to joint ventures	12	<b>984,882</b>	992,316
Amount due to the ultimate holding company	14	<b>7,259</b>	7,554
Amount due to an intermediate holding company	15	<b>2,792</b>	2,792
Amount due to a fellow subsidiary	16	<b>485</b>	485
Amounts due to non-controlling shareholders of subsidiaries		<b>3,467,911</b>	4,284,477
Taxation payable		<b>7,308,753</b>	7,775,280
Notes payable — due within one year	18	<b>5,126,000</b>	626,000
Bank and other borrowings — due within one year	17	<b>17,494,929</b>	20,168,686
<b>Total current liabilities</b>		<b>108,159,692</b>	105,766,980
<b>Net current assets</b>		<b>75,435,909</b>	77,146,991
<b>Total assets less current liabilities</b>		<b>98,707,326</b>	100,043,972
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	19	<b>15,712,159</b>	15,712,159
Reserves		<b>3,829,715</b>	3,806,190
Accumulated profits		<b>14,666,532</b>	14,581,921
<b>Equity attributable to owners of the Company</b>		<b>34,208,406</b>	34,100,270
<b>Non-controlling interests</b>		<b>10,933,352</b>	11,060,363
<b>Total equity</b>		<b>45,141,758</b>	45,160,633

## INTERIM RESULTS

		<b>30 June 2024</b>	31 December 2023
	Notes	<b>RMB'000 (Unaudited)</b>	RMB'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other borrowings — due after one year	17	<b>36,423,304</b>	34,551,668
Notes payable — due after one year	18	<b>15,549,000</b>	18,549,000
Lease liabilities		<b>28,281</b>	38,341
Loan from a fellow subsidiary		<b>—</b>	180,000
Deferred tax liabilities		<b>1,564,983</b>	1,564,330
<b>Total non-current liabilities</b>		<b>53,565,568</b>	54,883,339
		<b>98,707,326</b>	100,043,972

# INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Share capital RMB'000	Hotel properties revaluation reserve RMB'000	Translation reserve RMB'000	PRC statutory reserves RMB'000	Other capital reserve RMB'000	Asset revaluation reserve RMB'000	Other reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>At 1 January 2024</b>	15,712,159	779,119	346,626	3,024,510	208,593	86,592	(639,250)	14,581,921	34,100,270	11,060,363	45,160,633
Total comprehensive income for the period	—	24,389	(866)	—	—	—	—	373,227	396,750	(127,010)	269,740
Dividend approved in respect of the previous year	—	—	—	—	—	—	—	(288,614)	(288,614)	—	(288,614)
Other	—	2	—	—	—	—	—	(2)	—	(1)	(1)
<b>At 30 June 2024</b>	15,712,159	803,510	345,760	3,024,510	208,593	86,592	(639,250)	14,666,532	34,208,406	10,933,352	45,141,758

For the six months ended 30 June 2023

	Attributable to owners of the Company										
	Share capital RMB'000	Hotel properties revaluation reserve RMB'000	Translation reserve RMB'000	PRC statutory reserves RMB'000	Other capital reserve RMB'000	Asset revaluation reserve RMB'000	Other reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>At 1 January 2023</b>	15,712,159	648,709	182,774	2,933,389	208,593	81,018	(225,410)	13,389,012	32,930,244	8,859,700	41,789,944
Total comprehensive income for the period	—	43,109	250,475	—	—	—	—	639,214	932,798	80,097	1,012,895
Dividend approved in respect of the previous year	—	—	—	—	—	—	—	(166,909)	(166,909)	—	(166,909)
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	(99,680)	(99,680)
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	2,533,272	2,533,272
Derecognition of non-controlling interests due to subsidiaries' share capital reduction	—	—	—	—	—	—	—	—	—	(1,155,132)	(1,155,132)
Disposal of a subsidiary	—	—	—	(6,171)	(942)	—	—	7,133	—	—	—
De-registration of a subsidiary	—	—	(4,478)	—	—	—	—	4,478	—	—	—
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(21,590)	—	(21,590)	(109,855)	(131,445)
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	210,454	210,454
<b>At 30 June 2023</b>	15,712,159	691,818	428,771	2,927,218	207,651	81,018	(247,000)	13,872,928	33,674,543	10,318,856	43,993,399

# INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	5,131,812	9,882,253
Income taxes paid	(570,184)	(2,589,409)
Interest paid	(1,825,669)	(2,036,746)
<b>Net cash generated from operating activities</b>	<b>2,735,959</b>	<b>5,256,098</b>
<b>Cash flows from investing activities</b>		
Acquisition of associates	(445,845)	—
Acquisition of additional interests in subsidiaries	—	(131,445)
Acquisition of a subsidiary, net of cash acquired	—	(218,443)
Disposal of net assets classified as held for sale	—	102,342
Capital reduction of non-controlling interests	—	(1,155,132)
Bank interest income received	182,751	196,529
Advance to non-controlling shareholders of subsidiaries	(560,523)	(472,357)
Repayment from joint ventures	29,904	24,671
(Advance to)/repayment from associates	(379,877)	109,511
Interest income received from loans to joint ventures	81,217	116,265
Interest income received from loans to associates	41,530	14,315
Decrease in pledged bank deposits	99,018	101,033
Other cash flows arising from investing activities	147,578	(85,964)
<b>Net cash used in investing activities</b>	<b>(804,247)</b>	<b>(1,398,675)</b>
<b>Cash flows from financing activities</b>		
Borrowings raised	10,426,686	9,177,503
Notes payable raised	1,500,000	5,500,000
Capital contribution by non-controlling shareholders of subsidiaries	—	2,533,272
Dividend paid to non-controlling shareholders of subsidiaries	—	(99,680)
Repayment of borrowings	(11,228,807)	(17,908,310)
Repayment to a fellow subsidiary	(180,000)	—
Repayment to non-controlling shareholders of subsidiaries	(816,566)	(967,973)
(Repayment to)/advance from joint ventures	(7,434)	268,831
Advance from associates	345,610	159,644
Payment of lease liabilities	(12,180)	(11,474)
Other cash flows arising from financing activities	(295)	(10,954)
<b>Net cash generated from/(used in) financing activities</b>	<b>27,014</b>	<b>(1,359,141)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,958,726</b>	<b>2,498,282</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,631,917</b>	<b>31,173,332</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(380)</b>	<b>294,606</b>
<b>Cash and cash equivalents at end of the period</b>	<b>33,590,263</b>	<b>33,966,220</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and cash equivalents as stated in the consolidated statement of financial position	<b>33,590,263</b>	<b>33,966,220</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the most recent consolidated financial statements for the year ended 31 December 2023, except for the changes in accounting policy made when the Group initially applies financial reporting standards newly applicable to the annual accounting period beginning on 1 January 2024.

The preparation of condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This report contains condensed consolidated financial statements and selected explanatory notes. The explanatory notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the most recent consolidated financial statements for the year ended 31 December 2023. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2023 that is included in this report of the interim results for the six months ended 30 June 2024 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. 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 Hong Kong Companies Ordinance (Cap. 622).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")

Amendments to HKAS 1, Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")

Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements

The Group has assessed the impact of the adoption of these new and amended standards that are effective for the first time for this interim.

The impact of the adoption of these new and amended standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21, The effects of changes in foreign exchange rate: Lack of exchangeability<sup>1</sup>  
Amendments to HKFRS 9 and HKFRS7, Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup>

Amendments to HKFRS 18, Presentation and disclosure in financial statements<sup>3</sup>

Amendments to HKFRS 19, Subsidiaries without Public Accountability: Disclosures<sup>3</sup>

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Directors of the Company do not anticipate that the application of these new pronouncements in the future will have significant impact on the Group's accounting policies and financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into four operating divisions. These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:

Property development business — property development

Property investment and management — property investment and management

Hotel operations — hotel and restaurant business and its related services

Other operations — manufacturing and sales of digital discs and others

Information about these segments is presented below:

For the six months ended 30 June 2024

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
<b>REVENUE</b>						
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at a point in time	11,416,234	—	—	22,935	—	11,439,169
— Recognised over time	—	586,385	177,000	—	—	763,385
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	254,087	—	—	—	254,087
External revenue	11,416,234	840,472	177,000	22,935	—	12,456,641
Inter-segment revenue*	—	49,730	—	—	(49,730)	—
<b>Total revenue</b>	<b>11,416,234</b>	<b>890,202</b>	<b>177,000</b>	<b>22,935</b>	<b>(49,730)</b>	<b>12,456,641</b>
<b>SEGMENT RESULTS</b>	<b>789,375</b>	<b>108,927</b>	<b>(2,474)</b>	<b>34,238</b>	<b>—</b>	<b>930,066</b>
Unallocated income						265,950
Unallocated expenses						(12,937)
Finance costs						(707,433)
Share of results of associates	98,279	—	—	—	—	98,279
Share of results of joint ventures	5,435	—	—	—	—	5,435
Profit before income tax expense						579,360
Income tax expense						(330,718)
<b>Profit for the period</b>						<b>248,642</b>

\* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2024  
Assets and liabilities

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
Assets					
Segment assets	147,149,250	9,355,845	3,005,988	905,779	160,416,862
Interests in associates	2,835,000	—	—	—	2,835,000
Interests in joint ventures	6,095,202	—	—	2,218	6,097,420
Unallocated corporate assets					<u>37,517,736</u>
Total assets					<u>206,867,018</u>
Liabilities					
Segment liabilities	77,057,923	1,306,406	76,488	8,841	78,449,658
Unallocated corporate liabilities					<u>83,275,602</u>
Total liabilities					<u>161,725,260</u>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
<b>REVENUE</b>						
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at a point in time	14,633,975	—	—	25,911	—	14,659,886
— Recognised overtime	—	569,129	176,732	—	—	745,861
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	233,416	—	—	—	233,416
External revenue	14,633,975	802,545	176,732	25,911	—	15,639,163
Inter-segment revenue*	—	59,964	—	—	(59,964)	—
<b>Total revenue</b>	<b>14,633,975</b>	<b>862,509</b>	<b>176,732</b>	<b>25,911</b>	<b>(59,964)</b>	<b>15,639,163</b>
<b>SEGMENT RESULTS</b>	<b>2,746,881</b>	<b>103,331</b>	<b>(4,652)</b>	<b>37,479</b>	<b>—</b>	<b>2,883,039</b>
Unallocated income						265,309
Unallocated expenses						(263,056)
Finance costs						(819,183)
Loss on disposal of net assets classified as held for sale	(1,026)	—	—	—	—	(1,026)
Share of results of associates	42,068	—	—	—	—	42,068
Share of results of joint ventures	(9,207)	—	—	—	—	(9,207)
Profit before income tax expense						2,097,944
Income tax expense						(1,378,938)
<b>Profit for the period</b>						<b>719,006</b>

\* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2023  
Assets and liabilities

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
Assets					
Segment assets	153,635,452	10,251,650	3,171,725	882,728	167,941,555
Interests in associates	1,660,787	—	—	—	1,660,787
Interests in joint ventures	6,147,355	—	—	1,350	6,148,705
Unallocated corporate assets					38,292,196
Total assets					<u>214,043,243</u>
Liabilities					
Segment liabilities	81,962,347	1,410,718	157,774	10,221	83,541,060
Unallocated corporate liabilities					86,508,784
Total liabilities					<u>170,049,844</u>

### 3. OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
(Loss)/Gain on disposal of investment properties	(18,869)	21
Exchange loss, net	—	(252,335)
Government subsidy	7,951	10,034
Interest income from banks	182,751	196,529
Interest income from loans to associates	41,530	14,315
Interest income from loans to joint ventures	81,217	116,265
Interest income from amounts due from non-controlling shareholders of subsidiaries	21,048	6,759
Others	62,878	38,532
	<u>378,506</u>	<u>130,120</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. PROFIT BEFORE INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Profit before income tax expense is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	79,429	93,178
Depreciation of right-of-use assets	24,357	21,214
Interest on lease liabilities	1,629	1,614
Short term leases expenses	12,837	9,021
Low value leases expenses	211	253
Share of tax of associates (included in share of results of associates)	37,581	13,882
Share of tax of joint ventures (included in share of results of joint ventures)	(1,668)	12,081
Loss/(Gain) on disposal of investment properties	18,869	(21)

### 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
The charge comprises:		
Hong Kong Profits Tax	20,468	1,605
People's Republic of China Enterprise Income Tax ("PRC EIT")	209,855	579,842
People's Republic of China Land Appreciation Tax ("LAT")	100,683	783,645
	331,006	1,365,092
Deferred taxation	(288)	13,846
	330,718	1,378,938

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2023: 16.5%) based on the estimated assessable profit for the period ended 30 June 2024, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime.

For that subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in prior period.

The PRC EIT is calculated at 25% (six months ended 30 June 2023: 25%) based on the estimated assessable profit for the period.

Certain People's Republic of China (the "PRC") subsidiaries are also subject to the LAT which is levied at progressive rates ranging from 30% to 60% on the appreciation of properties, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction.

### 6. DIVIDENDS

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$Nil).

### 7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2024 is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Earnings:</b>		
Profit for the period attributable to owners of the Company	<b>373,227</b>	639,214
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<b>3,821,183,118</b>	3,821,183,118

The diluted earnings per share for the six months period ended 30 June 2024 and 2023 are the same as basic earnings per share as there were no potentially dilutive ordinary shares in 2024 and 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. TRANSFER TO AND FROM RESERVES

During the six months ended 30 June 2024, the Group's subsidiaries in the PRC did not appropriate any amount (six months ended 30 June 2023: RMBNil) net of non-controlling interests' share out of accumulated profits to the PRC statutory reserves, and the Group's subsidiaries did not release any amount net of non-controlling interests' share out of the PRC statutory reserves, other capital reserve and translation reserve to accumulated profits (six months ended 30 June 2023: RMB6,171,000, RMB962,000 and RMB4,478,000, respectively).

### 9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties decreased RMB176,177,000 during the period ended 30 June 2024 (30 June 2023: increased RMB4,490,000).

During the period ended 30 June 2024, disposal of investment properties of RMB141,717,000 (30 June 2023: RMB400,000) and decrease in fair value of investment properties of RMB34,460,000 (30 June 2023: RMBNil) was noted.

The Group's property, plant and equipment decreased RMB47,234,000 during the period ended 30 June 2024 (30 June 2023: decreased RMB26,663,000).

During the period ended 30 June 2024, depreciation charge of RMB79,429,000 (30 June 2023: RMB93,178,000) and disposal of property, plant and equipment of RMB3,715,000 were noted (30 June 2023: RMB6,518,000).

The decrease was offset by the additions of motor vehicles, furniture and fixture and plant and machinery of RMB6,624,000 (30 June 2023: RMB12,903,000) and the surplus arising on revaluation of hotel properties of RMB29,286,000 (30 June 2023: RMB58,495,000).

The Group's investment properties and hotel properties at 30 June 2024 were valued by AA Property Services Limited, an independent professional surveyor and property valuer not connected with the Group. AA Property Services Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at using the same valuation techniques as were used by this valuer when carrying out the valuations at 31 December 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. TRADE AND OTHER RECEIVABLES

The credit terms in connection with sales of properties granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables arising from sales of properties as the Group has numerous customers. In respect of sales of goods granted to trade customers, the Group allows an average credit period of 30 days to 90 days. The following is an ageing analysis of trade receivables net of allowance for credit losses at the end of the reporting period presented based on invoice dates:

	<b>30 June 2024 RMB'000</b>	31 December 2023 RMB'000
0 to 30 days	<b>105,749</b>	82,320
31 to 90 days	<b>64,841</b>	23,497
More than 90 days	<b>243,907</b>	202,824
Total trade receivables	<b>414,497</b>	308,641
Other receivables	<b>7,405,641</b>	4,675,381
	<b>7,820,138</b>	4,984,022

### 11. AMOUNTS DUE FROM/(TO) ASSOCIATES

	<b>30 June 2024 RMB'000</b>	31 December 2023 RMB'000
Amounts due from associates:		
— Interest-free	<b>998,182</b>	609,477
— Fixed rate of 8%	<b>107,631</b>	148,800
	<b>1,105,813</b>	758,277
Amounts due to associates:		
— Interest-free	<b>1,456,349</b>	1,110,739

The amounts are unsecured and repayable on demand.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Amounts due from joint ventures:		
— Interest-free	1,464,740	1,395,165
— Fixed rate of 6.5%	98,751	196,751
— Fixed rate of 7%	—	66,707
— Hong Kong Interbank Offered Rate ("HIBOR") +1.5%	2,664,458	2,626,780
	<b>4,227,949</b>	4,285,403
Amounts due to joint ventures:		
— Interest-free	885,882	893,316
— Fixed rate of 4.35%	99,000	99,000
	<b>984,882</b>	992,316

The amounts are unsecured and repayable on demand.

### 13. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2024 RMB'000	31 December 2023 RMB'000
0 to 30 days	431,326	719,730
31 to 90 days	79,602	74,367
More than 90 days	15,646,092	18,142,175
Total trade payables	<b>16,157,020</b>	18,936,272
Other payables	<b>11,533,555</b>	10,976,847
	<b>27,690,575</b>	29,913,119

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

	<b>30 June 2024 RMB'000</b>	31 December 2023 RMB'000
Interest-free	<b>7,259</b>	7,554

The amount is unsecured and repayable on demand.

### 15. AMOUNT DUE TO AN INTERMEDIATE HOLDING COMPANY

	<b>30 June 2024 RMB'000</b>	31 December 2023 RMB'000
Interest-free	<b>2,792</b>	2,792

The amount is unsecured and repayable on demand.

### 16. AMOUNT DUE TO A FELLOW SUBSIDIARY

	<b>30 June 2024 RMB'000</b>	31 December 2023 RMB'000
Interest-free	<b>485</b>	485

The amount is unsecured and repayable on demand.

### 17. BANK AND OTHER BORROWINGS

The Group's bank and other borrowings decreased RMB802,121,000 (30 June 2023: decreased RMB8,562,766,000).

During the period ended 30 June 2024, the Group repaid bank and other borrowings of RMB11,228,807,000 (30 June 2023: RMB17,908,310,000). The decrease was offset by additions of bank and other borrowings of RMB10,426,686,000 (30 June 2023: RMB9,177,503,000), which bear interest at market rates.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 18. NOTES PAYABLE

The Group has issued the following notes payable:

- (i) On 10 November 2020, the Group issued the 4% note due in 2025 in the aggregate principal amount of US\$500,000,000 (equivalent to RMB3,549,000,000) (31 December 2023: US\$500,000,000 equivalent to RMB3,549,000,000). The note bears interest at the rate of 4% per annum. The note is payable semi-annually in arrears on the interest payment date falling on 10 May and 10 November, in each year.
- (ii) On 8 September 2021, the Group issued the 3.29% note due in 2024 in the aggregate principal amount of RMB626,000,000. The note bears interest at the rate of 3.29% per annum. The note is payable annually in arrears on the interest payment date falling 8 September, in each year.
- (iii) On 18 February 2022, the Group issued the 2.99% and 3.66% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,500,000,000 and RMB500,000,000 respectively. The notes bear interest at the rate of 2.99% and 3.66% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 18 February, in each year.
- (iv) On 13 April 2022, the Group issued the 3.35% note due in 2025 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 3.35% per annum. The note is payable annually in arrears on the interest payment date falling 13 April, in each year.
- (v) On 6 June 2022, the Group issued the 3.2% and 3.65% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,000,000,000 and RMB500,000,000 respectively. The notes bear interest at the rate of 3.2% and 3.65% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 6 June, in each year.
- (vi) On 20 June 2022, the Group issued the 3.17% and 3.68% notes due in 2025 and 2027 in the aggregate principal amount of RMB500,000,000 and RMB500,000,000 respectively. The notes bear interest at the rate of 3.17% and 3.68% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 20 June, in each year.
- (vii) On 26 August 2022, the Group issued the 3.29% note due in 2025 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.29% per annum. The note is payable annually in arrears on the interest payment date falling 26 August, in each year.
- (viii) On 1 November 2022, the Group issued the 3.3% note due in 2027 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.3% per annum. The note is payable annually in arrears on the interest payment date falling 1 November, in each year.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (ix) On 9 January 2023, the Group issued the 3.82% note due in 2026 in the aggregate principal amount of RMB1,500,000,000. The note bears interest at the rate of 3.82% per annum. The note is payable annually in arrears on the interest payment date falling 9 January, in each year.
- (x) On 24 February 2023, the Group issued the 3.7% and 4.2% notes due in 2028 and 2030 in the aggregate principal amount of RMB1,000,000,000 and RMB1,000,000,000 respectively. The notes bear interest at the rate of 3.7% and 4.2% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 24 February, in each year.
- (xi) On 6 April 2023, the Group issued the 3.47% and 3.88% notes due in 2028 and 2030 in the aggregate principal amount of RMB500,000,000 and RMB1,500,000,000 respectively. The notes bear interest at the rate of 3.47% and 3.88% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 6 April, in each year.
- (xii) On 27 July 2023, the Group issued the 3.40% note due in 2026 in the aggregate principal amount of RMB1,000,000,000. The note bears interest at the rate of 3.40% per annum. The note is payable annually in arrears on the interest payment date falling on 27 July, in each year.
- (xiii) On 17 October 2023, the Group issued the 3.48% note due in 2026 in the aggregate principal amount of RMB500,000,000. The note bears interest at the rate of 3.48% per annum. The note is payable annually in arrears on the interest payment date falling on 17 October, in each year.
- (xiv) On 11 June 2024, the Group issued the 2.5% and 2.8% notes due in 2029 and 2030 in the aggregate principal amount of RMB500,000,000 and RMB1,000,000,000 respectively. The notes bear interest at the rate of 2.5% and 2.8% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 11 June, in each year.

### 19. SHARE CAPITAL

	Number of ordinary shares	Amount RMB'000
Ordinary shares, issued and fully paid: At 31 December 2023 and 30 June 2024	<b>3,821,183,118</b>	<b>15,712,159</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20. CONTINGENT LIABILITIES

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to approximately RMB25,758,052,000 as at 30 June 2024 (31 December 2023: RMB27,693,189,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the purchasers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 June 2024, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to approximately RMB6,632,812,000 (31 December 2023: RMB7,544,812,000), of which approximately RMB4,859,152,000 (31 December 2023: RMB5,132,349,000) had been utilised by these associates and joint ventures.

## 21. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property development expenditures and acquisition of interest in a joint venture amounted to RMB22,552,752,000 (31 December 2023: RMB23,315,000,000) and RMB317,053,000 (31 December 2023: RMBNil), respectively, as at 30 June 2024.

The Group did not have any capital expenditure authorised but not contracted for as at 30 June 2024 (31 December 2023: RMBNil).

## 22. MATERIAL RELATED PARTY TRANSACTIONS

During the current period, the Group entered into the following material related party transactions:

### (I) Transactions with related parties

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Property rental income (note a)	9,309	7,522
Interest expenses (note b)	24,024	34,871
Interest income (note c)	122,747	130,580
Management fee income	890	890
Rental expenses paid	1,035	1,011

Notes:

- (a) The property rental income received from subsidiaries of the ultimate holding company, which were charged in accordance with the relevant tenancy agreements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (b) The interest expenses derived from loans advanced from a subsidiary of the ultimate holding company and an associate, which was unsecured, carried interest at fixed rates from 4.1%, variable rates based on LPR ranging from LPR minus 1.35% to LPR plus 0.8% and repayable within three years.
- (c) The interest income derived from loans advanced to associates and joint ventures, which carried interest at fixed rates from 6.5% to 8% and variable rate of HIBOR plus 1.5% and repayable on demand.

### (II) Compensation to key management personnel

	<b>Six months ended 30 June</b>	
	<b>2024</b> RMB'000	2023 RMB'000
Short-term benefits	<b>4,735</b>	5,270
Post-employment benefits	<b>1,203</b>	1,145
	<b>5,938</b>	6,415

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 23. LOSS ON DISPOSAL OF NET ASSETS CLASSIFIED AS HELD FOR SALE

On 1 November 2022, the Group entered into an agreement with an independent third party in relation to the sale of its 100% equity interest in 湖北保利建築工程有限公司 (“湖北保利建築”) of a consideration of RMB102,342,000. 湖北保利建築 is principally engaged in property construction business. Given that the disposal was not completed as at 31 December 2022, the assets and liabilities relating to 湖北保利建築 have been classified as held for sale in the consolidated statement of financial position. The transaction was subsequently completed in January 2023 and loss on disposal of net assets classified as held for sale was recorded during the first half of 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The net assets disposed were as follows:

	RMB'000
Property, plant and equipment	75
Trade and other receivables	12,183
Bank balances, deposits and cash	105,372
Trade and other payables	(14,262)
	<hr/>
Net assets disposed of	103,368
Consideration	102,342
	<hr/>
Loss on disposal	(1,026)
Total consideration satisfied by:-	
Cash	102,342
	<hr/>
Net cash outflow arising on disposal:	
Cash received	102,342
Bank balances, deposits and cash disposed of	(105,372)
	<hr/>
	(3,030)
	<hr/>

### 24. FAIR VALUE MEASUREMENTS

(i) **Financial instruments carried at fair value**

The fair value of financial assets are determined with reference to quoted market prices or using valuation techniques in which any significant input is not based on observable market data.

The following table presents financial instruments measured at fair value in the condensed consolidated statement of financial position on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, "Fair Value Measurement". The level into which a fair value measurement classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024, the Group had following financial instruments carried at fair value all of which are based on the level 1 or level 3 of the fair value hierarchy:

	Fair value at	Fair value measurements as at		
	30 June	30 June 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Listed	1,063	1,063	—	—
— Unlisted	745,017	—	—	745,017
	<b>746,080</b>	<b>1,063</b>	<b>—</b>	<b>745,017</b>
	Fair value at	Fair value measurements as at		
	31 December	31 December 2023 categorised into		
	2023	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Listed	1,134	1,134	—	—
— Unlisted	711,914	—	—	711,914
	<b>713,048</b>	<b>1,134</b>	<b>—</b>	<b>711,914</b>

During the six months period ended 30 June 2024 and the year ended 31 December 2023, there were no transfers between financial instruments in level 1 and level 2, or transfer into and out of level 3. The Group policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) **The fair values of financial assets and financial liabilities are determined as follows:**

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$Nil).

### SHARE OPTION SCHEME

In order to provide incentives or rewards to the Directors and employees of the Company and certain eligible persons (together, "Eligible Participants") to contribute to the long term success of the business of the Group, the Board considers that it is in the best interest of the Company to adopt a share option scheme.

At the annual general meeting of the Company held on 28 May 2014, the shareholders of the Company adopted a share option scheme (the "Share Option Scheme"), pursuant to which the Eligible Participants may be granted a maximum of 364,463,704 options to subscribe for shares of the Company upon and subject to the terms and conditions of the rules of the Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of 28 May 2014 and expired on 27 May 2024.

According to the Share Option Scheme, the Board may grant options to (i) any Director and employee of the Company or its subsidiaries, or an entity in which the Group holds an interest ("Affiliate"); (ii) any customer, supplier, agent, partner, consultant, adviser or shareholder of or contractor to the Group or an Affiliate; (iii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, customer, supplier, agent, partner, consultant, adviser or shareholder of or contractor to the Group or an Affiliate; or (iv) a company beneficially owned by any Director, employee, consultant, customer, supplier, agent, partner, shareholder, adviser of or contractor to the Group or an Affiliate to subscribe for shares of the Company for a consideration of HK\$1 for each lot of share options granted.

Share options granted should be accepted within 28 days from the date of grant. The Board may at its absolute discretion determine the period during which a share option may be exercised; such period should expire no later than 10 years from the date of grant of the relevant option. The Board may also provide restrictions on the exercise of a share option during the period a share option may be exercised.

The exercise price is determined by the Board, and shall not be less than the highest of: (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant.

## OTHER INFORMATION

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue.

The total number of shares issued and to be issued upon exercise of the options granted to each individual under the Share Option Scheme and any other share option schemes of the Company (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue of the Company.

The fair value of share options granted to Eligible Participants is recognised as staff costs with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Binomial model, taking into account the terms and conditions upon which the options were granted. Where the Eligible Participants have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the statement of profit or loss for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated profits).

During the six months ended 30 June 2024, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme, and no share options remained outstanding. The number of share options available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 254,713,704 and nil, respectively.



## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES AND COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES

The Company has adopted the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") for the purpose of the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2024.

As at 30 June 2024, according to the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, the interests of the Directors in the shares and underlying shares of the Company were as follows:

#### Long position

##### *Ordinary shares of the Company*

Miss Leung Sau Fan, Sylvia is holding 33,000 (0.001%) shares of the Company.

Save as disclosed above, as at 30 June 2024, none of the Directors, chief executives or their associates had any personal, family, corporate or other interests and short positions in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded in the register maintained under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, according to the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, the following shareholders had notified the Company of relevant interests in the issued shares of the Company:

#### Ordinary shares of the Company

Name of shareholder	Number of shares			Approximate percentage of the issued share capital of the Company
	Beneficial owner	Held by controlled corporation(s)	Total number of shares	
<b>Long position</b>				
China Poly Group Corporation Limited* (中國保利集團有限公司)	253,788,246	1,583,738,058	1,837,526,304 (Note 1)	48.09%
Poly Developments and Holdings Group Co., Ltd.* (保利發展控股集團股份有限公司)	—	1,583,738,058 (Note 2)	1,583,738,058	41.45%
Poly (Hong Kong) Holdings Limited	120,381,544	1,463,356,514	1,583,738,058 (Note 3)	41.45%
Ting Shing Holdings Limited	—	1,463,356,514 (Note 4)	1,463,356,514	38.30%
Congratulations Company Ltd.	1,111,578,283	—	1,111,578,283	29.09%
Source Holdings Limited	244,594,241	107,183,990	351,778,231 (Note 5)	9.21%

#### Notes:

- China Poly Group Corporation Limited directly holds 253,788,246 shares of the Company beneficially and owns 50% issued share capital of Poly (Hong Kong) Holdings Limited, and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- Poly Developments and Holdings Group Co., Ltd. owns 50% of the issued share capital of Poly (Hong Kong) Holdings Limited and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- Poly (Hong Kong) Holdings Limited is deemed by the SFO to be interested in 1,583,738,058 shares of the Company as a result of its direct holding of 120,381,544 shares and indirect holding of 1,463,356,514 shares through its wholly-owned subsidiary, Ting Shing Holdings Limited.

## OTHER INFORMATION

4. Ting Shing Holdings Limited is deemed by the SFO to be interested in 1,463,356,514 shares of the Company as a result of its indirect holding of 1,463,356,514 shares through its subsidiaries, Source Holdings Limited and Congratulations Company Ltd., of 351,778,231 shares and 1,111,578,283 shares, respectively.
5. Source Holdings Limited is deemed by the SFO to be interested in 351,778,231 shares of the Company as a result of its direct holding of 244,594,241 shares and indirect holding of 107,183,990 shares through its wholly-owned subsidiaries, Musical Insight Holdings Ltd. and Wincall Holding Ltd., of 47,825,571 shares and 59,358,419 shares, respectively.

\* *for identification purposes only*

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued shares or underlying shares of the Company as at 30 June 2024.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER

### Disclosures pursuant to Rule 13.21 of the Listing Rules

1. On 24 July 2020, a joint venture company ("JV") of the Group in which the Company holds 35% beneficial interest (as borrower), the Company (as one of guarantors) and Industrial and Commercial Bank of China (Asia) Limited (as facility agent), among others, entered into a facility agreement for a 5-year term loan facility of a principal amount of up to HK\$9,437,400,000. Pursuant to the facility agreement, the Company (as one of the guarantors) severally guarantees the due and punctual payment and performance of all obligations of the JV under, among others, the facility agreement, up to 35% of all sums owed by the JV under such obligations. The final maturity date of the loan facility shall be the earlier of the date falling: (a) 60 months from the date of the facility agreement; or (b) 6 months after the completion date of the development of the land held by the JV.

Pursuant to the facility agreement, if, among other things, China Poly Group Corporation Limited ("China Poly Group") ceases to: (a) be the single largest shareholder of the Company; (b) maintain control (as defined in the facility agreement) of the Company; and (c) be under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("SASAC"), the facility agent may declare all or any part of the borrowings together with the interest accrued thereon and all other sums payable by the obligors (including the Company) under the finance documents (as defined in the facility agreement) be immediately due and payable, whereupon the same shall become immediately due and payable.

## OTHER INFORMATION

- On 10 November 2020, a wholly-owned subsidiary of the Company (as the issuer), the Company (as the guarantor) and China Poly Group entered into a keepwell deed in relation to US\$500,000,000 4.00% notes due 2025 (the "Notes Due 2025").

Pursuant to the keepwell deed and the terms and conditions of the Notes Due 2025, if China Poly Group (a) ceases to be the single largest shareholder of the Company or ceases to hold, directly or indirectly through its controlled corporations (as defined under Part XV of the Securities and Futures Ordinance (Cap. 571) of the law of Hong Kong) at least 40% of the issued share capital of the Company; or (b) ceases to maintain management control of the Company, this will constitute an event of default under the Notes Due 2025.

- On 31 January 2024, the Company (as borrower) entered into a facility agreement with (1) Hua Xia Bank Co., Limited Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), Bank of Communications Co., Ltd. Hong Kong Branch, China CITIC Bank International Limited, China Everbright Bank Co. Ltd., Hong Kong Branch, Agricultural Bank of China Limited Hong Kong Branch, Ping An Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited and Malayan Banking Berhad, Hong Kong Branch (as mandated lead arrangers, bookrunners and lenders); (2) Bank of Communications Co., Ltd. Hong Kong Branch (as sustainability link loan advisor and co-ordinator) and (3) China CITIC Bank International Limited (as facility agent) for a term loan facility in an aggregate amount of HK\$3,900,000,000. The final maturity date of the facility shall be the date falling 36 months after the first utilisation date under the facility.

Pursuant to the facility agreement, it shall be an event of default if, among other things, China Poly Group ceases to: (a) (together with its controlled corporations) be the single largest shareholder of the Company, or directly or indirectly through its controlled corporations, to hold at least 40% of the issued share capital of the Company; (b) maintain management control of the Company; or (c) be under the control and supervision of the SASAC.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the period under review, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "CG Code"), other than code provisions C.2.1 and F.2.2 of the CG Code. The reasons for deviation from such provisions are explained below:

Under code provision C.2.1 of the CG Code, the roles of chairman and managing director should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the managing director has been established and adopted by the Company in writing in accordance with code provision C.2.1. However, due to work rearrangements, Mr. Wang Jian resigned as the Managing Director and Executive Director of the Board of Directors of the Company on 3 November 2023, and his daily management work was temporarily performed by the Chairman of the Board of Directors of the Company with the assistance of various centers (offices and departments) of the Group. Following the resignation of Mr. Wang Jian, the Company had been actively identifying suitable candidates, and appointed Mr. Hu Zaixin as the Managing Director and Executive Director of the Board of Directors of the Company on 14 March 2024 to fill the casual vacancy arising from the resignation of Mr. Wang Jian as Managing Director.

## OTHER INFORMATION

Under code provision F.2.2 of the CG Code, the chairman of the board should attend annual general meetings. Due to ill-health, Mr. Wan Yuqing, the Chairman of the Company, was unable to attend the annual general meeting of the Company held on 13 June 2024. Mr. Hu Zaixin was appointed as the chairman of the meeting and addressed questions raised by shareholders at the meeting.

The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

## CHANGE IN DIRECTORS' INFORMATION

There were no changes in the information of Directors required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

## AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") presently comprises one Non-executive Director, namely Mr. Chen Yuwen and four Independent Non-executive Directors, namely Miss Leung Sau Fan, Sylvia (as Chairlady), Mr. Fung Chi Kin, Mr. Wong Ka Lun and Mr. Ng Kim Lam.

The members of the Audit Committee have reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of the unaudited condensed financial statements of the Company for the six months ended 30 June 2024. The Audit Committee has approved the unaudited interim financial statements.