

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS OF THE 2024 INTERIM RESULTS

- Contracted sales reached RMB4.812 billion, aggregated sales area was 365,810 square meters and the average selling price was RMB13,155 per square meter;
- Revenue amounted to RMB6,006.4 million, representing a decrease of 1.5% for the corresponding period of 2023 (corresponding period of 2023: RMB6,098.7 million). The revenue of the commercial operations and hotel operations decreased by 22.4% to RMB283.3 million (corresponding period of 2023: RMB365.1 million);
- Gross profit and gross profit margin amounted to RMB532.0 million and 8.9%, respectively;
- The net loss was RMB1,710.3 million (corresponding period of 2023: a net loss of RMB2,843.6 million); and
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023 Interim: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Properties Group Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
REVENUE	5	6,006,436	6,098,745
Cost of sales		<u>(5,474,410)</u>	<u>(6,012,446)</u>
Gross profit		532,026	86,299
Other income and gains	5	8,324	23,745
Selling and distribution expenses		(157,605)	(229,516)
Administrative expenses		(140,810)	(182,898)
Other expenses		(258,508)	(660,095)
Fair value losses on investment properties		(412,136)	(138,024)
Finance costs	7	(826,715)	(1,270,566)
Share of losses of:			
Joint ventures		(119,925)	(385,379)
Associates		(209,519)	124,720
LOSS BEFORE TAX	6	(1,584,868)	(2,631,714)
Income tax expense	8	(125,446)	(211,916)
LOSS FOR THE PERIOD		<u>(1,710,314)</u>	<u>(2,843,630)</u>
Attributable to:			
Owners of the parent		(1,784,029)	(2,655,397)
Non-controlling interests		<u>73,715</u>	<u>(188,233)</u>
		<u>(1,710,314)</u>	<u>(2,843,630)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic			
– For loss for the period		<u>RMB(0.53)</u>	<u>RMB(0.80)</u>
Diluted			
– For loss for the period		<u>RMB(0.53)</u>	<u>RMB(0.80)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	<u>(1,710,314)</u>	<u>(2,843,630)</u>
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,710,314)</u>	<u>(2,843,630)</u>
Attributable to:		
Owners of the parent	(1,784,029)	(2,655,397)
Non-controlling interests	<u>73,715</u>	<u>(188,233)</u>
	<u>(1,710,314)</u>	<u>(2,843,630)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2024

	30 June	31 December
	2024	2023
<i>Note</i>	RMB'000	RMB'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	573,380	592,146
Investment properties	11,320,200	11,659,510
Right-of-use assets	23,038	24,913
Other intangible assets	2,267	2,807
Investments in joint ventures	2,529,489	2,554,118
Investments in associates	6,709,831	7,531,455
Deferred tax assets	231,028	304,575
	<hr/>	<hr/>
Total non-current assets	21,389,233	22,669,524
CURRENT ASSETS		
Inventories	168,846	174,708
Properties under development	12,960,200	18,236,670
Completed properties held for sale	9,018,397	7,934,408
Trade receivables	<i>11</i> 6,145	4,373
Prepayments, other receivables and other assets	10,725,347	11,334,307
Due from related parties	9,946,036	10,782,465
Financial assets at fair value through profit or loss	89,281	116,771
Tax recoverable	820,336	899,349
Cash and bank balances	2,067,176	2,753,863
	<hr/>	<hr/>
Total current assets	45,801,764	52,236,914

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

30 June 2024

	<i>Note</i>	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	6,158,679	6,629,866
Other payables and accruals		4,815,427	4,692,006
Contract liabilities		8,990,896	13,331,799
Interest-bearing bank and other borrowings		6,618,237	6,751,056
Senior notes		10,517,313	10,453,896
Lease liabilities		80,990	88,766
Due to related parties		7,814,307	7,845,562
Tax payable		<u>3,365,193</u>	<u>3,427,328</u>
Total current liabilities		<u>48,361,042</u>	<u>53,220,279</u>
NET CURRENT ASSETS		<u>(2,559,278)</u>	<u>(983,365)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,829,955</u>	<u>21,686,159</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		3,962,936	4,239,565
Lease liabilities		781,140	806,430
Deferred tax liabilities		<u>1,759,741</u>	<u>1,816,333</u>
Total non-current liabilities		<u>6,503,817</u>	<u>6,862,328</u>
Net assets		<u>12,326,138</u>	<u>14,823,831</u>
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital		28,411	28,411
Share premium		1,888,469	1,888,469
Other reserves		<u>984,250</u>	<u>2,768,279</u>
		2,901,130	4,685,159
Non-controlling interests		<u>9,425,008</u>	<u>10,138,672</u>
Total equity		<u>12,326,138</u>	<u>14,823,831</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 12 July 2018.

The Company is an investment holding company. During the six months ended 30 June 2024, the Group is principally engaged in property development, commercial property investment and operations, and hotel operations.

In the opinion of the directors of the Company, the immediate holding company of the Company is Redsun Properties Group (Holdings) Limited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

Going concern basis

The Group recorded a net loss of RMB1,710,314,000 for the year ended 30 June 2024. As at 30 June 2024, (i) the Group's current liabilities exceeded its current assets by RMB2,559,278,000; (ii) the Group's total interest-bearing bank and other borrowings and senior notes amounted to RMB21,098,486,000, out of which RMB17,135,550,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB661,700,000; (iii) the Group had not repaid an aggregate amount of principal and interest of RMB9,636,947,000 for certain senior notes and an aggregate amount of interests of RMB437,849,000 for certain senior notes according to their scheduled repayment dates, triggering events of default for the corresponding senior notes amounted to RMB2,570,931,000; (iv) an aggregate amount of principal of RMB2,000,958,000 for interest-bearing bank and other borrowings and an aggregate amount of interests of RMB8,225,000 for certain interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates, triggering certain interest-bearing bank and other borrowings amounting to RMB1,047,717,000 becoming repayable on demand. A winding-up petition was filed by certain senior note holders against the Company on 14 February 2024.

The above conditions indicate the existence of a material uncertainty which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) The Group has appointed financial advisors to assist it with a holistic restructuring of its offshore debts, in order to reach a consensual solution with all the stakeholders as soon as practical;

- (b) The Group has appointed legal counsels in relation to the winding-up petition;
- (c) The Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;
- (d) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- (e) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (f) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties;
- (g) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (h) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2024. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) successfully completing the holistic restructuring of its offshore debts;
- (b) successfully dismissing the winding-up petition;
- (c) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings;
- (d) successfully securing project development loans for qualified project development;
- (e) successfully obtaining additional new sources of financing as and when needed;
- (f) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;

- (g) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (h) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Property development
- Commercial property investment and operations
- Hotel operations

The Group's operations are mainly conducted in Chinese Mainland. Management considered there is no reportable geographic segment as all revenues from external customers are generated in Chinese Mainland and the Group's significant non-current assets are located in Chinese Mainland.

Six months ended 30 June 2024	Property development RMB'000 (Unaudited)	Commercial property investment and operations RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 5)				
Sales to external customers	<u>5,723,157</u>	<u>270,104</u>	<u>13,175</u>	<u>6,006,436</u>
Revenue				<u><u>6,006,436</u></u>
Segment results	(439,503)	(290,603)	1,408	(728,698)
<i>Reconciliation:</i>				
Bank interest income				4,200
Fair value loss on financial assets at fair value through profit or loss				(28,002)
Finance costs (other than interest on lease liabilities)				(801,246)
Corporate and other unallocated expenses				<u>(31,122)</u>
Loss before tax				<u><u>(1,584,868)</u></u>

Six months ended 30 June 2023	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue (note 5)				
Sales to external customers	<u>5,733,676</u>	<u>347,542</u>	<u>17,527</u>	<u>6,098,745</u>
Revenue				<u><u>6,098,745</u></u>
Segment results	(1,383,691)	(5,775)	1,838	1,387,628
<i>Reconciliation:</i>				
Bank interest income				19,974
Fair value loss on financial assets at fair value through profit or loss				(16,180)
Investment income				296
Finance costs (other than interest on lease liabilities)				(1,233,196)
Corporate and other unallocated expenses				<u>(14,980)</u>
Loss before tax				<u><u>2,631,714</u></u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023.

	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment assets				
30 June 2024	54,620,772	11,839,902	421,233	66,881,907
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>309,090</u>
Total assets				<u><u>67,190,997</u></u>
Segment liabilities				
30 June 2024	53,246,122	1,561,564	12,374	54,820,060
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>44,799</u>
Total liabilities				<u><u>54,864,859</u></u>
	Property development <i>RMB'000</i> (Audited)	Commercial property investment and operations <i>RMB'000</i> (Audited)	Hotel operations <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Segment assets				
31 December 2023	61,942,114	12,228,621	421,549	74,592,284
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>314,154</u>
Total assets				<u><u>74,906,438</u></u>
Segment liabilities				
31 December 2023	58,379,704	1,641,502	14,564	60,035,770
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>46,837</u>
Total liabilities				<u><u>60,082,607</u></u>

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the six months ended 30 June 2024 and 30 June 2023.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	5,746,877	5,764,529
Revenue from other sources		
Gross rental income	<u>259,559</u>	<u>334,216</u>
Total	<u><u>6,006,436</u></u>	<u><u>6,098,745</u></u>

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	Property	Commercial	Hotel	Total
	development	property	operations	
	RMB'000	investment and	operations	RMB'000
	(Unaudited)	operations	(Unaudited)	(Unaudited)
		RMB'000	RMB'000	
		(Unaudited)	(Unaudited)	(Unaudited)
Types of goods or services				
Sale of properties	5,715,001	–	–	5,715,001
Hotel operations	–	–	13,175	13,175
Project management services	8,156	–	–	8,156
Others	<u>–</u>	<u>10,545</u>	<u>–</u>	<u>10,545</u>
Total	<u><u>5,723,157</u></u>	<u><u>10,545</u></u>	<u><u>13,175</u></u>	<u><u>5,746,877</u></u>
Timing of revenue recognition				
Sale of properties transferred at a point in time	5,715,001	–	–	5,715,001
Services transferred over time	<u>8,156</u>	<u>10,545</u>	<u>13,175</u>	<u>31,876</u>
Total	<u><u>5,723,157</u></u>	<u><u>10,545</u></u>	<u><u>13,175</u></u>	<u><u>5,746,877</u></u>

For the six months ended 30 June 2023

Segments	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services				
Sale of properties	5,673,739	–	–	5,673,739
Hotel operations	–	–	17,527	17,527
Project management services	59,937	–	–	59,937
Others	–	13,326	–	13,326
Total	<u>5,733,676</u>	<u>13,326</u>	<u>17,527</u>	<u>5,764,529</u>
Timing of revenue recognition				
Sale of properties transferred at a point in time	5,673,739	–	–	5,673,739
Services transferred over time	<u>59,937</u>	<u>13,326</u>	<u>17,527</u>	<u>90,790</u>
Total	<u>5,733,676</u>	<u>13,326</u>	<u>17,527</u>	<u>5,764,529</u>

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

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Bank interest income	4,200	19,974
Investment income	–	296
Forfeiture of deposit	921	1,909
Government grants	1,007	400
Others	<u>2,196</u>	<u>1,166</u>
	<u>8,324</u>	<u>23,745</u>

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold	5,043,536	5,012,425
Cost of services provided	130,535	179,723
Impairment losses recognized for properties under development and completed properties held for sale	300,339	820,298
Impairment losses on financial assets	201,597	625,471
Depreciation of items of property, plant and equipment	19,263	22,423
Depreciation of right-of-use assets	1,874	4,187
Amortisation of other intangible assets	540	1,359
Fair value loss on investment properties	412,136	138,024
Fair value losses on financial assets at fair value through profit or loss	28,002	16,180
Loss on disposal of items of property, plant and equipment	659	6,497
Share of losses and profits of:		
Joint ventures	119,925	385,379
Associates	209,519	(124,720)
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	98,720	165,146
Pension scheme contributions and social welfare	14,692	18,646
Less: Amount capitalised	(26,371)	(66,165)
	87,041	117,627

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans, other borrowings and senior notes	923,372	1,182,092
Interest on lease liabilities	25,469	37,370
Interest expense arising from revenue contracts	147,946	405,259
	<u>1,096,787</u>	<u>1,624,721</u>
Total interest expense	1,096,787	1,624,721
Less: Net foreign exchange losses on financing activities	77,559	445,929
Interest capitalised	(347,631)	(800,084)
	<u>826,715</u>	<u>1,270,566</u>

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income currently arising in Hong Kong for the six months ended 30 June 2024 and 2023.

Subsidiaries of the Group operating in Chinese Mainland are subject to the People's Republic of China ("PRC") corporate income tax rate of 25% for the period.

Land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	62,537	76,344
LAT	45,956	108,896
Deferred tax	16,953	26,676
	<u>125,446</u>	<u>211,916</u>
Total tax charge for the period	125,446	211,916

9. DIVIDENDS

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,338,614,000 (six months ended 30 June 2023: 3,338,614,000) in issue during the period.

Diluted loss per share for the six months ended 30 June 2024 and 2023 were the same as the basic loss per share amounts as the share options had an anti-dilutive effect on the basic loss per share during the periods.

The calculations of basic and diluted losses per share are based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>(1,784,029)</u>	<u>(2,655,397)</u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,338,614,000	3,338,614,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	—	—
	<u>3,338,614,000</u>	<u>3,338,614,000</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee under the Company's share award scheme.

11. TRADE RECEIVABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 month	4,673	3,851
1 to 3 months	1,112	144
3 to 6 months	280	3
6 to 12 months	66	–
Over 12 months	<u>14</u>	<u>375</u>
	<u>6,145</u>	<u>4,373</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Based on evaluation on the expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered to be immaterial, and therefore, there has not been a loss allowance provision.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	2,131,598	3,117,036
Over 1 year	<u>4,027,081</u>	<u>3,512,830</u>
	<u>6,158,679</u>	<u>6,629,866</u>

Trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

OVERVIEW AND OUTLOOK

Review for the First Half of 2024

According to the National Bureau of Statistics, in the first half of 2024, the GDP of China was RMB61.68 trillion, representing a year-on-year increase of 5% at constant prices and maintaining a leading economic growth pace among major economies around the globe. In the real estate sector, the industry scale has been steadily rebounding, and the corporate operating direction has been differentiated. Against the background of the continuous adjustment and optimization of regulatory policies, some cities are in a state of structural recovery, while they are still in the stage of deep adjustment as a whole.

In the first half of 2024, the sales area of newly built commodity housing across the country was 480 million sq.m., representing a year-on-year decrease of 19%, which continued to narrow. As of the end of June, area for sale of commodity housing was 730 million sq.m, representing a year-on-year increase of 15.2%. Among them, the area for sale of residential housing increased by 23.5%. Information indicates that the market demand is still relatively weak, and in an over-supply situation. Since the beginning of this year, the industry policies continued to be easing, and the focus of policy development has shifted to “destocking”. Various departments have launched policies and measures such as lowering downpayments, removing the lower limits of mortgage rates, supporting the collection and storage of commercial housing in stock to release housing demands. In the first-tier cities, there was an emergence of recovery to some extent, while most cities were still in weak trends.

Facing with the difficult environment of the industry, the Company has been adhered to “operation-oriented (以經營為中心)” and “customers-oriented (以客戶為中心)”, acting in concerted efforts, standing up in front of difficulties, directly and actively responding to problems. We continue to anchor the strategic direction of “Three Major Adherences (三大堅持)”: adhere to the industry portfolio of dual-driven synergic development in property development and commercial real estate; adhere to strengthening foothold and penetrating the Greater Jiangsu Region; adhere to quality and sustainable development, clarifying the development keynote of “seeking progress while maintaining stability”, continuing to improve the quality of products and services to achieve quality development.

In the first half of 2024, 26 batches of a total of 10,097 new housing with more than 1.50 million sq.m. in aggregate were delivered by the Group, keeping its word to provide good homes.

During the Reporting Period, the Company continued to improve its management system and update the management policies, implement industry-clustering and synergy, strictly control the construction process, guarantee the delivery quality, and continuously improve customer satisfaction. The Company has been adhering to the financial management strategy of “seeking progress while maintaining stability, promoting stability through progress, and breaking-down after establishment (穩中求進、以進促穩、先立後破)”, to ensure our operation with cash flow, optimize asset management, reduce liabilities strategically and orderly, and continuously reduce costs, so as to ensure cash flow security.

OUTLOOK FOR THE SECOND HALF OF 2024

Looking ahead to the second half of 2024, geopolitical conflicts will continue, the global economy will be still in the stage of recovery, the uncertainties of international financial markets will remain and the world has been facing profound changes unseen in a century. In the first half of the year, the overall economy of our country maintained the trend of a turnaround, and the foundation for recovering in the second half of the year has yet to be consolidated. The Third Plenary Session held in July is an overall deployment to further comprehensively deepening reforms for Chinese modernization, and various industries will usher in new changes in the new development stage.

In the second half of 2024, the real estate market will still be in the period of deep adjustment. In the important context of economic transformation, the traditional development model of real estate industry will transform in an accelerating way, and the development of new urbanization will not cease, both the market demands and the structural opportunities of market will still be there. The Company will actively respond to relevant policies, pay attention to market situation, adjust sales strategy in a timely manner, strengthen the integration of online and offline and its innovation, strengthen the safety management of capital and asset, strive for multi-channel financing and revitalize cash flow. The Company will continue to keep its word to provide good homes, maintaining the speed while ensuring the quality.

Looking forward, the Company will embrace the future in a courageous way, profoundly penetrate into market changes, grasp customer demands precisely to create real estate projects which are in better quality and more market-oriented with innovative thinking and concepts; with fortitude and persistence, optimize management process, reduce costs, improve efficiency and strengthen the core competitiveness of the enterprise; rooted in integrity, the Company will adhere to the bottom line of quality, to win the reliance and reputation from its customers with quality products and services.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. Sales of Properties

For the six months ended 30 June 2024, the Group achieved contracted sales of approximately RMB4.812 billion, representing a decrease of 63.1% as compared to RMB13.025 billion in the same period last year.

Details of the contracted sales of the Group for the six months ended 30 June 2024 are set out as below:

Region	Contracted Sales in Total Gross Floor Area sq.m.	Contracted Sales Amount RMB'000	Average Contracted Selling Price RMB/sq.m.
Xuzhou	52,463	438,557	8,359
Nanjing	45,442	981,152	21,591
Weifang	24,357	180,105	7,395
Huai'an	23,724	293,668	12,378
Suzhou	21,202	337,540	15,920
Chengdu	20,193	207,134	10,258
Foshan	16,958	260,138	15,340
Ningbo	15,000	295,427	19,695
Yancheng	13,595	156,031	11,477
Suqian	13,109	106,207	8,102
Wuxi	12,861	261,068	20,300
Changzhou	12,117	171,247	14,133
Chongqing	10,036	95,721	9,538
Shaoxing	10,034	230,780	23,000
Zhenjiang	9,645	72,722	7,540
Xiangyang	9,631	54,919	5,702
Hefei	8,872	58,753	6,623
Wuhan	7,874	106,619	13,541
Nantong	5,681	64,943	11,432
Changsha	5,636	62,209	11,038
Jiangmen	4,431	38,409	8,669
Guangzhou	3,437	69,424	20,202

Region	Contracted Sales in Total Gross Floor Area sq.m.	Contracted Sales Amount RMB'000	Average Contracted Selling Price RMB/sq.m.
Hengyang	3,320	16,831	5,070
Yangzhou	3,153	56,750	17,997
Huzhou	2,502	29,552	11,810
Wenzhou	2,477	43,712	17,647
Chuzhou	2,265	41,048	18,124
Qingdao	2,014	19,025	9,447
Xi'an	1,359	15,879	11,687
Nanchang	1,323	16,845	12,733
Anqing	225	2,225	9,874
Others	877	27,718	31,605
Total	<u>365,810</u>	<u>4,812,357</u>	<u>13,155</u>

2. Land Bank

As at 30 June 2024, the Group's total gross floor area of land bank was approximately 10,137,821 sq.m., including completed properties totaled 2,148,296 sq.m., rentable area held for investment totaled 1,008,725 sq.m. and properties under development totaled 6,980,800 sq.m.

Details of the land bank of the Group (including the land bank which is undergoing the acquisition process) as at 30 June 2024 are set out as below:

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	16,799	80,000	114,928	211,727	95%
Bengbu	Huadi Hongyang Residence (華地弘陽府)	32,646	5,328	-	-	5,328	48%
Bozhou	Verse of River and Mountain (formerly: Bozhou Land Lot No. 2017-217 (江山賦(原名 稱: 亳州2017-217號地塊))	201,216	105,096	-	-	105,096	40%
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	423	-	-	423	40%
Changshu	Changshu Guli Tieqin Road Project (常熟古里鐵琴路 項目)	40,805	38,977	-	-	38,977	32%
Changzhou	Commercial and Trading Peak (商貿雲峯)	50,921	68,196	-	-	68,196	57%
Changzhou	Phoenix East Phoenix One (formerly: Phoenix East Project) (鳳凰東錦鳳合鳴(原名稱: 鳳凰東項目))	115,615	25,359	30,086	77,428	132,873	49%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	30,154	-	-	30,154	50%
Changzhou	Emperor Looks at the First Court (君望甲第)	67,225	10,202	-	-	10,202	40%
Changzhou	Sang Ma Land Lot A (桑麻A 地塊)	44,524	-	11,690	-	11,690	70%
Changzhou	Yanlan Fenghua (燕瀾風華)	126,695	1,051	-	-	1,051	85%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	-	85,030	4,835	89,865	100%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Changzhou	Changzhou Hong Yang 1936 (formerly: Sang Ma Land Lot CD) (常州弘陽1936 (原名稱：桑麻CD地塊))	156,115	2,892	105,818	136,151	244,861	70%
Changzhou	Sanmao Longyun Tiancheng (formerly: Sanmao Land Lot) (三毛龍運天城 (原名稱：三毛地塊))	108,486	24,483	-	-	24,483	31%
Changzhou	Hong Yang Upper City Phase I-III (弘陽上城一-三期)	111,700	6,831	-	-	6,831	100%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	17,798	-	-	17,798	35%
Changzhou	Changzhou Yaoguan Yuhushangguan Garden (常州遙觀昱湖上觀花苑)	58,093	16,632	-	-	16,632	57%
Chengdu	Dujiangyan DJY2017-09 (都江堰DJY2017-09)	26,393	2,741	-	-	2,741	95%
Chengdu	Dujiangyan DJY2017-10 (都江堰DJY2017-10)	39,064	3,092	-	-	3,092	95%
Chengdu	Central Road Fanjin 108 (formerly: Central Road Project) (中環路梵錦108 (原名稱：中環路項目))	72,114	34,964	41,730	-	76,694	47%
Chengdu	Shuangliu Heyuan Project (雙流合園項目)	19,794	853	-	-	853	48%
Chengdu	Qionglai Hong Yang Weilai Shiguang (邛崃弘陽未來 時光)	39,809	4,886	-	-	4,886	94%

Region	Name of Project	Completed					The Group's Interest
		Area of Land (sq.m.)	Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mou) (成都興隆湖畔雲璟花園(原名稱：天府新區42畝))	28,432	11,863	-	-	11,863	32%
Chuzhou	Metropolitan Art Atmosphere (都會藝境)	60,189	7,689	-	-	7,689	33%
Chuzhou	Hong Yang Garden (弘陽苑)	8,782	1,851	-	-	1,851	100%
Chuzhou	Glory Residence (正榮府)	80,867	3,611	-	-	3,611	30%
Chuzhou	Garden In Times (Chuzhou Times Billow) (時光里花園(滁州時光瀾庭))	89,886	1,757	-	-	1,757	40%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	13,625	-	-	13,625	47%
Danyang	Phoenix Terrace (鳳熹台)	88,498	15,576	-	-	15,576	20%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	2,906	-	-	2,906	95%
Foshan	Benevolence Lake No. 1 (博愛湖一號)	44,156	3,864	8,011	-	11,875	95%
Foshan	Foshan Lakeside Mansion (formerly: Lv Dao Hu) (佛山綠島湖公館(原名稱：綠島湖))	51,240	16,074	-	129,706	145,780	31%
Foshan	Nanyou Park No. 1 (南油公園一號)	67,582	-	-	176,419	176,419	31%
Foshan	Foshan Jihua North Joy River No. 1 (佛山季華北悅江一號)	33,220	17,407	-	-	17,407	47%
Foshan	Foshan Zhangcha Sunrise Joy Residence (佛山張槎昕悅府)	17,059	8,174	-	-	8,174	48%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	3,924	-	-	3,924	45%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Total Gross Area Held for Investment (sq.m.)			
Guangzhou	Guangzhou Wanjing No. 1 (廣州灣璟壹號)	32,387	39,052	-	-	39,052	12%
Haimen	Jianghai Road The One World (formerly: Jianghai Road Zuo An Gong Yuan) (江海路水岸觀瀾苑(原名稱：江海路左岸公元))	75,028	5,616	-	-	5,616	67%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	1,931	-	-	1,931	30%
Hangzhou	Fuchun Bay Jichen Residence (富春灣濟宸府)	39,313	58,486	-	-	58,486	33%
Hangzhou	Hangzhou Binyao Mansion (formerly: Binjiang Pule Project) (杭州濱耀學府(原名稱：濱江浦樂項目))	44,633	8,595	-	-	8,595	26%
Hefei	Changfeng In Times (長豐時光里)	42,621	6,789	-	-	6,789	100%
Hefei	Yaohai Joy Residence (瑤海昕悅府)	37,254	2,133	-	-	2,133	80%
Hefei	Glance River Terrace (望江台)	139,536	24,103	-	-	24,103	25%
Hefei	Dongfangyin (東方印)	28,081	4,553	-	-	4,553	51%
Hefei	Moon Bay Joy and Magnificence (月亮灣和悅風華)	26,380	3,237	-	-	3,237	38%
Hefei	Fengle Oriental Jade (formerly: Yaohai Prosper and Joy) (豐樂翡麗東方(原名稱：瑤海豐樂))	59,233	76,283	-	-	76,283	32%
Hefei	Longzi Lake Times (龍子湖湖語時光)	68,461	10,593	-	-	10,593	29%
Hefei	Lujiang Lakeside Shade Mountain (廬江湖畔樾山)	161,263	67,228	-	270,343	337,571	48%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悅府)	36,912	26,044	-	-	26,044	95%
Huzhou	Ren Huang 43 Yan Lan Residence (仁皇43燕瀾府)	48,652	4,079	-	-	4,079	97%
Huzhou	Ren Huang 58 Yan Lan Residence (formerly: Huzhou Ren Huang No. 58#) (仁皇58燕瀾府(原名稱:湖 州仁皇58#))	102,218	6,672	-	-	6,672	97%
Huzhou	Huzhou Southwest Development Zone Qinlan Residence (formerly: Huzhou South Taihu New District Project) (湖州西南 開發區沁瀾府(原名稱: 湖州南太湖新區項目))	30,200	66,062	-	-	66,062	36%
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	4,623	-	-	4,623	47%
Huai'an	Huai'an Fengdeng Road Jinyuefu (formerly: Huai'an Fengdeng Road) (淮安豐登 路金樾府(原名稱:淮安豐 登路))	41,476	-	-	65,037	65,037	32%
Huai'an	Huai'an Eco-City Grand One (淮 安生態新城泓著大觀)	82,734	28,309	-	82,474	110,783	51%
Jinan	Jiqi Road Leisure's Mansion (formerly: Jiqi Road Project) (濟齊路君逸府(原名稱: 濟齊路項目))	34,290	-	-	82,370	82,370	43%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂國樾府(原名稱:禮樂 項目))	30,231	50,495	-	-	50,495	31%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Jiangyin	Yunting Joy Residence (雲亭听悦府)	138,902	16,200	-	-	16,200	100%
Jiangyin	Xinqiao Leiden Town (formerly: Jing Garden of Superior Class) (新橋萊頓小鎮(原名稱：上品環苑))	203,609	28,212	-	-	28,212	20%
Jiangyin	Yunting Tangyue Jinyuan (formerly: Yunting Primary School Project) (雲亭棠樾錦園(原名稱：雲亭小學項目))	92,953	15,064	-	-	15,064	48%
Jurong	Jurong C Ziyue Residence (formerly: Land Lot No. 2018-J1-06) (句容C紫悦府(原名稱：2018-J1-06號地塊))	72,609	34,896	-	-	34,896	31%
Jurong	Jurong B Project (formerly: Jurong Land Lot No. B) (句容B項目(原名稱：句容B地塊))	38,731	-	-	74,274	74,274	18%
Kaifeng	Zhong Yi Hu Yan Lan Residence (formerly: Kaifeng Yan Lan Residence) (中意湖燕瀾府(原名稱：開封燕瀾府))	63,533	21,605	-	13,429	35,034	44%
Ma'anshan	Hexian Peacock City (和縣孔雀城)	97,340	2,146	-	-	2,146	20%
Meishan	Renshou In Times (仁壽時光里)	68,107	11,433	-	34,394	45,827	95%
Nanchang	Nanchang Hong Yang Residence (南昌弘陽府)	43,410	10,177	-	-	10,177	44%
Nanchang	Yao Lake Times Sky Shade (瑤湖時光天樾)	102,269	18,995	-	129,965	148,960	63%

Region	Name of Project	Completed					The Group's Interest
		Area of Land (sq.m.)	Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱：青雲譜))	29,452	23,845	-	-	23,845	47%
Nanchang	Wanli In Times (灣里時光里)	13,717	3,390	-	-	3,390	95%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌 青山湖大道時光玖悅)	20,182	-	-	65,514	65,514	44%
Nanjing	Solaris Loving City Section 8 (旭 日愛上城八區)	40,552	4,992	-	-	4,992	100%
Nanjing	Shiguang Chunxiao (時光春曉)	32,246	449	-	-	449	49%
Nanjing	Binhuli (濱湖里)	52,763	5,426	-	-	5,426	51%
Nanjing	Qilin Garden in the East (麒麟 領東苑)	67,810	448	-	-	448	33%
Nanjing	Yanlan Qijin (燕瀾七縉)	57,503	3,220	-	-	3,220	49%
Nanjing	Shiguang Yinxiang (時光印象)	61,145	119	-	-	119	48%
Nanjing	Gaoxin G27 Yinyue Residence (高新G27印悅府)	68,644	12,212	-	-	12,212	20%
Nanjing	Mountain and Lake View in Times (時光山湖)	14,338	826	-	-	826	25%
Nanjing	Shidai Tianyue (formerly: Nanjing Land Lot No. 2017G36) (時代天樾(原 名稱：南京•2017G36地塊))	54,173	-	-	78,508	78,508	15%
Nanjing	Xiaolongwan Garden of Joy and Happiness (formerly: Land Lot No. 2017G57) (小龍灣悅禧苑(原 名稱：2017G57地塊))	58,024	14,718	-	-	14,718	100%
Nanjing	Gaoxin Xingyuecheng Phase 2 (高新星悅城二期)	7,025	-	-	14,770	14,770	49%
Nanjing	Gaochun Pinglan Residence (formerly: Gaochun Land Lot No. 02-03) (高淳平瀾府 (原名稱：高淳02-03地塊))	102,787	12,766	-	-	12,766	12%

Region	Name of Project	Completed			Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
		Area of Land (sq.m.)	Floor Area for Sale (sq.m.)	Total Gross Rentable Area Held for Investment (sq.m.)			
Nanjing	Solaris Jingcheng Store (旭日景城商舖)	1,371	-	4,450	-	4,450	100%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商舖)	989	-	7,301	-	7,301	100%
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	-	491,888	-	491,888	100%
Nanjing	3rd-4th Floor of Redsun Tower (弘陽大廈3-4層)	277	-	4,964	-	4,964	100%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悅府(原名稱: 石湫項目))	131,964	34,912	-	-	34,912	48%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪環園(原名稱: 祿口項目))	73,686	-	-	7,221	7,221	47%
Nanjing	Puzhu North Road Shangshang Joy Garden (浦珠北路尚上悅苑)	7,232	5,934	-	-	5,934	70%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悅尚宸)	41,931	9,946	-	-	9,946	48%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	5,323	-	-	5,323	48%
Nanjing	Nanjing Times Avenue Lan Wan Jiu Zhu (formerly: Times Avenue Project) (南京時代大道攬灣玖築(原名稱: 時代大道項目))	60,138	24,098	-	97,574	121,672	15%
Nanjing	Nanjing Zhuangyuanfang Xiyue Garden (formerly: Lishui Zhuangyuanfang Project) (南京狀元坊熹樾花園(原名稱: 溧水狀元坊項目))	67,192	9,510	-	90,211	99,721	31%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Nanjing	Nanjing Yaohuamen Qiyao Meizhu (南京堯化門棲堯美著)	14,670	4,080	-	-	4,080	83%
Nanjing	Nanjing Kangjian Road Glance River Joy Residence (南京康健路望江悅府)	65,227	26,580	-	-	26,580	47%
Nanjing	Nanjing Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代)	66,057	-	-	66,865	66,865	25%
Nanjing	Nanjing Dachang Top Cloud Mansion (南京大廠雲玥美著)	18,130	-	-	50,807	50,807	48%
Nanjing	Nanjing Tangshan Yunchen Yuanlu (南京湯山雲辰原麓)	68,029	-	-	115,669	115,669	33%
Nanjing	Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東玖樾印象)	31,813	14,912	-	30,967	45,879	33%
Nantong	Yunyue Oriental (雲樾東方)	86,652	4,116	1,163	-	5,279	17%
Nantong	Upper Joy City (上悅城)	82,741	16,900	-	-	16,900	25%
Nantong	New Metropolitan (新都會)	109,890	8,154	-	-	8,154	13%
Nantong	Center Creation Metropolitan (中創大都會)	47,963	-	1,035	-	1,035	24%
Nantong	Sutong Yongjin Lanwan (蘇通雍錦瀾灣)	47,405	7,363	-	-	7,363	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悅)	40,689	540	-	-	540	98%
Nantong	Nantong Gaotie Xincheng Honored Palace (formerly: Pingchao Gaotie Xincheng) (南通高鐵新城時光峯匯(原名稱：平潮高鐵新城))	84,022	45,974	-	101,707	147,681	57%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Total Gross Rentable Area Held for Investment (sq.m.)			
Nantong	Nantong Fuxing Road Guanjianghai (formerly: Nantong Fuxing Road Project) (南通富興路觀江海(原名稱：南通富興路項目))	69,966	10,065	-	-	10,065	19%
Nantong	Antai Road Jingchen Residence (安泰路環宸府)	53,761	-	-	116,056	116,056	29%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆渡涌潮印府(原名稱：陳婆渡))	40,148	4,163	-	-	4,163	31%
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	80,528	42,129	-	122,657	50%
Pengzhou	Chinoiserie Mansion (formerly: Pengzhou 50+55 mou Project) (彭州玖峯(原名稱：彭州50+55畝項目))	70,603	9,341	-	81,943	91,284	66%
Qingdao	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	-	-	40,185	40,185	28%
Qingdao	Jimo Yunhai Road Beauty Collection In Times (即墨雲海路集美時光)	116,220	-	-	190,754	190,754	35%
Rugao	Wanshou Road Zi Yun Ji (formerly: Wanshou Road Project) (萬壽路紫雲集(原名稱：萬壽路項目))	89,669	11,035	-	-	11,035	29%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	2,060	-	-	2,060	50%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	95	-	-	95	100%
Suzhou	Xiangcheng Shangchen View Mansion (formerly: Fuyuan Road Project) (相城天境上辰(原名稱：富元路項目))	154,101	55,181	-	227,496	282,677	76%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Floor Area for Sale (sq.m.)	Total Gross Area Held for Investment (sq.m.)			
Suzhou	Suzhou Lumu Heaven Billow (蘇州陸慕天境瀾庭)	37,963	168	-	49,544	49,712	48%
Suqian	Wutaishan Heyue Garden (五台山和樾花園)	139,947	-	-	371,486	371,486	19%
Taizhou	Taixing Jinjiang Residence (泰興襟江府)	56,230	6,289	-	-	6,289	100%
Tongxiang	Wuzhen Joy Court (formerly: Wuzhen Longxiang Avenue Project) (烏鎮昕悅棠(原名稱：烏鎮龍翔大道項目))	42,811	2,013	-	-	2,013	95%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	-	93,430	633,158	726,588	100%
Wenzhou	Huichang River Prosperous Seasons (formerly: Huichang River B03 Project) (會昌河潮啓四季(原名稱：會昌河B03項目))	25,721	23,898	-	-	23,898	48%
Wenzhou	Huichang River West Lakeside Seasons (formerly: Huichang River B07 Project) (會昌河西湖四季(原名稱：會昌河B07項目))	19,967	23,731	-	-	23,731	48%
Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	446	-	-	446	47%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	2,348	-	-	2,348	24%
Wuxi	Hong Yang Sanwan Qing (弘陽三萬頃)	800,000	9,174	-	-	9,174	100%
Wuxi	Huishan Sunrise Joy Court (惠山昕悅棠)	85,122	3,122	-	-	3,122	100%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映(原名稱：利源項目))	39,021	3,833	-	-	3,833	29%

Region	Name of Project	Completed					The Group's Interest
		Area of Land (sq.m.)	Floor Area for Sale (sq.m.)	Total Gross Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖铂悦名邸(原名稱：羊尖項目))	63,050	1,775	-	-	1,775	98%
Wuxi	Huishan Chengtie Zhan Time's Garden (formerly: Huishan Chengtie Zhan) (惠山城鐵站時光玖境(原名稱：惠山城鐵站))	15,017	10,508	-	-	10,508	25%
Wuxi	Wuxi Qingyuan Avenue Time's Lakeside (formerly: Wuxi Qingyuan Avenue) (無錫慶源大道時光玖樾(原名稱：無錫慶源大道))	57,962	16,795	-	-	16,795	48%
Wuxi	Jade Seal (formerly: Wuxi Yangshan) (無錫陽山悅陽九璽(原名稱：無錫陽山))	28,166	21,017	-	-	21,017	29%
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光里)	74,135	13,074	-	-	13,074	38%
Wuhan	NK1 Hong Yang Tian Yue (formerly: Yin Yue Residence) (NK1弘陽天悅(原名稱：印月府))	106,207	-	-	163,514	163,514	95%
Wuhan	Wuhan Xiao Jun Shan Aesthetics of Life (formerly: Xiao Jun Shan) (武漢小軍山天璽尚院(原名稱：小軍山))	128,129	-	-	370,338	370,338	45%
Wuhan	Wuhan Huangjia Hu Project (武漢黃家湖項目)	25,290	-	-	60,303	60,303	90%
Xi'an	Yan Liang Sunrise Joy Residence (閩良昕悅府)	24,649	5,301	-	-	5,301	48%
Xi'an	Xi'an Jinghe New Town The Polaris Mansion (西安涇河新城北宸天樾)	95,017	-	-	271,699	271,699	32%
Xiangyang	Prime Watery Court (襄御瀾庭)	45,761	9,008	-	-	9,008	95%

Region	Name of Project	Area of Land (sq.m.)	Completed		Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
			Total Gross Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)			
Xiangyang	Xiangzhou Park 1873 (襄州公園 1873)	93,846	3,851	-	249,136	252,987	48%
Xiangyang	Taiziwan Lu Yun Ting (台子灣路雲庭)	29,569	7,122	-	-	7,122	100%
Xuzhou	Fengming Residence (鳳鳴府)	104,284	10,561	-	-	10,561	76%
Xuzhou	Jiawang District Commercial Building in Xuzhou (徐州賈汪區商辦樓)	2,474	-	-	2,134	2,134	80%
Xuzhou	Hong Yang Vanke Jieli (弘陽萬科結廬)	181,244	10,212	-	-	10,212	33%
Xuzhou	Beautiful Scenery Residence (麗景府)	26,646	2,214	-	-	2,214	33%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	8,888	-	-	8,888	100%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	6,576	-	-	6,576	96%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	3,277	-	348,266	351,543	51%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	-	-	182,340	182,340	48%
Xuzhou	Xuzhou Songshan Road One Sino Long (formerly: Songshan Road Project) (徐州嵩山路山河瓏胤(原名稱: 嵩山路項目))	142,721	-	-	364,266	364,266	25%
Xuzhou	Xuzhou Damiao Heping Gongguan (formerly: Zhongtian Shiming Road Project) (徐州大廟和平公館(原名稱: 中天仕名路項目))	55,614	-	-	168,449	168,449	48%
Xuzhou	Taoloushan Land Lot Project B (陶樓山B地塊項目)	25,157	-	-	63,517	63,517	48%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	-	-	67,973	67,973	48%
Yancheng	Begonia View Residence in Yanzhen Road (鹽枕路觀棠府)	69,049	7,452	-	-	7,452	31%

Region	Name of Project	Completed					The Group's Interest
		Area of Land (sq.m.)	Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	23,440	-	-	23,440	32%
Yancheng	Haikuo Road Fenglin Residence (海闊路鳳麟府)	100,491	38,653	-	-	38,653	33%
Yancheng	Yancheng Yandangshan Road Fengyue Residence (formerly: Yancheng Yandangshan Road Project) (鹽城雁蕩山路鳳樾府 (原名稱：鹽城雁蕩山路項目))	104,088	448	-	124,441	124,889	14%
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	9,410	-	19,529	28,939	64%
Yizheng	Yizheng 38 Yuedi Bay (儀徵38悅堤灣)	69,788	12,061	-	-	12,061	50%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀徵39悅江灣(原名稱：儀徵39))	66,358	9,736	-	-	9,736	48%
Yizheng	Yizheng Yuelong Bay (儀徵悅龍灣)	27,589	8,191	-	-	8,191	98%
Zhangjiagang	Tang Qiao Xing Tang Residence (塘橋星唐府)	36,829	3,369	-	-	3,369	50%
Zhangjiagang	Daxin Sunrise Joy Masterpiece Residence (大新昕悅名邸)	47,706	307	-	-	307	70%
Zhangjiagang	Jinfeng Beautiful in Ten (錦豐十里錦繡)	98,783	1,145	-	-	1,145	16%
Zhangjiagang	Tang Qiao Cloud Mansion (formerly: Tang Qiao Fumin Road Project) (塘橋雲築(原名稱：塘橋富民路項目))	40,317	11,753	-	-	11,753	48%
Zhangjiagang	Zhangjiagang Chengdong Tangyue Royalty (formerly: Zhangjiagang Jiangcheng Road) (張家港城東棠樾世家 (原名稱：張家港蔣乘路))	44,590	22,024	-	34,300	56,324	43%
Changsha	Deyi In Times (德一時光里)	12,956	12,627	-	-	12,627	67%

Region	Name of Project	Completed			Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interest
		Area of Land (sq.m.)	Floor Area for Sale (sq.m.)	Total Gross Area Held for Investment (sq.m.)			
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石听悦府(原名稱：黑石項目))	32,684	3,626	-	3,402	7,028	95%
Changsha	Changsha Wanhou Residence (formerly: Wanhou Road) (長沙萬侯府(原名稱：萬侯路))	21,967	126	-	1,546	1,672	95%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窰路听悦棠(原名稱：瓦窰路))	34,269	3,126	-	1,105	4,231	48%
Changsha	Changsha Xinglian Road Natural Bustling (formerly: Xinglian Road) (長沙興聯路雲瀟賦(原名稱：興聯路))	16,111	-	-	52,124	52,124	48%
Zhenjiang	Zhenjiang Zhoujiazhuang Jingkou Times (鎮江周家莊京口時光)	16,168	2,370	-	-	2,370	48%
Zhenjiang	Xiaoni Hill No. 1 Four Seasons Magnificence (小牛山一號四季風華)	20,536	2,277	-	-	2,277	31%
Zhenjiang	Xiaoni Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	28,920	4,753	-	-	4,753	33%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	-	-	318,326	318,326	95%
Chongqing	Taojia Times Billow (formerly: Cypress View • Seattle) (陶家時光瀾庭(原名稱：柏景•西雅圖))	89,273	27,252	-	47,367	74,619	100%
Chongqing	Shiqiaopu Tianchen Yipin (石橋鋪天宸一品)	8,749	-	-	-	-	50%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山听悦府(原名稱：璧山295))	106,259	589	-	28,593	29,182	45%

Region	Name of Project	Completed					The Group's Interest
		Area of Land (sq.m.)	Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	
Chongqing	Guan Yin Tang Sunrise Joy Residence (觀音塘昕悅府)	14,785	5,962	-	-	5,962	48%
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚樾景臺(原名稱: 北碚項目))	109,540	21,763	-	8,094	29,857	47%
Chongqing	Chongqing Central Park Sunrise Joy Court (formerly: Central Park) (重慶中央公園昕悅棠(原名稱: 中央公園))	39,636	6,858	-	-	6,858	95%
Chongqing	Chongqing Babin Road Glistening River (formerly: Babin Road Project) (重慶巴濱路一曲晴江(原名稱: 巴濱路項目))	66,926	21,859	-	1,403	23,262	48%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 71 mou Project (重慶界石曉風江南71畝項目)	47,039	30,008	-	-	30,008	24%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 141 mou Project (重慶界石曉風江南141畝項目)	94,061	-	-	206,447	206,447	24%
		<u>12,467,236</u>	<u>2,148,296</u>	<u>1,008,725</u>	<u>6,980,800</u>	<u>10,137,821</u>	

3. Commercial Operations

For the six months ended 30 June 2024, the Group's sales revenue from commercial operations amounted to approximately RMB270.1 million, representing a decrease of 22.3% as compared to the corresponding period last year.

It was due to the decrease in the rental unit prices of some stores.

4. *Hotel Operations*

For the six months ended 30 June 2024, the Group achieved sales revenue of approximately RMB13.2 million from its hotel operations, representing a decrease of 24.8% as compared to the corresponding period last year.

It was due to the closure of one of the hotels by the Group.

FINANCIAL REVIEW

1. *Revenue*

For the six months ended 30 June 2024, the Group's revenue amounted to approximately RMB6,006.4 million, representing a decrease of 1.5% from approximately RMB6,098.7 million for the same period last year. The revenue mainly included income generated from property sales, commercial operations and hotel operations, of which income generated from: (i) property sales decreased by 0.2% to approximately RMB5,723.2 million as compared to the same period last year, accounting for 95.3% of the total recognized revenue; (ii) commercial operations decreased by 22.3% to approximately RMB270.1 million as compared to the same period last year; and (iii) hotel operations decreased by 24.8% to approximately RMB13.2 million as compared to the same period last year.

Details of recognized revenue are set out as follows:

	2024		For the six months ended 30 June 2023		Year-on-year change (%)
	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	Recognized Revenue (RMB'000)	Percentage of Total Recognized Revenue (%)	
Property sales	5,723,157	95.3	5,733,676	94.0	-0.2
Commercial operations	270,104	4.5	347,542	5.7	-22.3
Hotel operations	13,175	0.2	17,527	0.3	-24.8
Total	<u>6,006,436</u>	<u>100.0</u>	<u>6,098,745</u>	<u>100.0</u>	<u>-1.5</u>

2. Cost of sales

For the six months ended 30 June 2024, the cost of sales of the Group was approximately RMB5,474.4 million, representing a decrease of 8.9% as compared to that of approximately RMB6,012.4 million for the same period last year. The decrease was primarily due to the decrease in impairment recognised for properties under development and completed properties held for sale as compared with the corresponding period last year. Several projects delivered during the year included Cixi Chengdong Shangdongchen Residence Project (慈溪城東上東辰府項目), Huai'an Fengdeng Road Jinyuefu Project (淮安豐登路金樾府項目), Suzhou Lumu Heaven Billow Project (蘇州陸慕天境瀾庭項目), Xuzhou Dawu Park Avenue Project (徐州大吳公園大道項目) and Changshu Guli Tieqin Road Project (常熟古里鐵琴路項目).

3. Gross Profit and Gross Profit Margin

For the six months ended 30 June 2024, the Group's gross profit was approximately RMB532.0 million, representing an increase of 516.5% from approximately RMB86.3 million for the corresponding period last year. For the six months ended 30 June 2024, the gross profit margin was 8.9%, an increase from 1.4% for the corresponding period last year.

The increase in gross profit and gross profit margin was mainly due to the decrease in impairment recognised for properties under development and completed properties held for sale as compared with the corresponding period last year.

4. Changes in Fair Value of Investment Properties

For the six months ended 30 June 2024, the Group recognized fair value loss on investment properties of approximately RMB412.1 million. The fair value loss on investment properties recorded were primarily due to a decrease of the overall capital value.

5. Selling and Distribution Expenses

For the six months ended 30 June 2024, the Group's selling and distribution expenses amounted to approximately RMB157.6 million, representing a decrease of 31.3% from approximately RMB229.5 million for the corresponding period last year. Such decrease was due to the decrease in the launch of new property projects of the Group in 2024.

6. Administrative Expenses

For the six months ended 30 June 2024, the Group's administrative expenses amounted to approximately RMB140.8 million, representing a decrease of 23.0% from approximately RMB182.9 million for the corresponding period last year. Such decrease was mainly due to the Group's further development in major metropolitan areas and core cities, and the strengthened control in administrative expenses and costs.

7. Share of Losses of Joint Ventures and Associates

For the six months ended 30 June 2024, the Group's share of losses of joint ventures and associates amounted to approximately RMB329.4 million (corresponding period of 2023: share of loss of RMB260.7 million) mainly due to the increase in losses incurred by the joint ventures and associates held by the Group. The main cooperation projects with profit carried forward during the period included: Nanjing Jiangbei Core District Yuejiang Shidai Project (南京江北核心區越江時代項目), Wuxi Jade Seal Project (無錫陽山悅陽九璽項目), Nanjing Tangshan Yunchen Yuanlu Project (南京湯山雲辰原麓項目), Hangzhou Fuchun Bay Jichen Residence Project (杭州富春灣濟宸府項目) and Huzhou Southwest Development Zone Qinlan Residence Project (湖州西南開發區沁瀾府項目).

8. Finance Costs

For the six months ended 30 June 2024, the Group's finance costs expended amounted to approximately RMB826.7 million, representing a decrease of 34.9% from approximately RMB1,270.6 million for the corresponding period last year. Such change in finance costs was mainly due to a decrease of the exchange loss on US\$-denominated borrowings of the Group and a decrease of total borrowings during the Reporting Period.

9. Income Tax Expense

The Group's income tax expense included provisions for the corporate income tax and land appreciation tax net of deferred tax during the year.

During the Reporting Period, the Group's income tax amounted to approximately RMB79.5million, representing a decrease of 22.8% from approximately RMB103.0 million for the corresponding period last year.

During the Reporting Period, the provision made for land appreciation tax by the Group was approximately RMB46.0 million, as compared with approximately RMB108.9 million for the corresponding period last year.

10. Loss for the Reporting Period

As a result of the aforementioned factors, the loss before tax was RMB1,584.9 million (corresponding period of 2023: RMB2,631.7 million).

LIQUIDITY, FINANCE AND CAPITAL

1. *Cash Position*

As at 30 June 2024, the Group's cash and bank balances were approximately RMB2.07 billion (as at 31 December 2023: approximately RMB2.75 billion), of which, restricted cash amounted to RMB1.36 billion (as at 31 December 2023: RMB1.62 billion), and pledged deposits amounted to approximately RMB0.04 billion (as at 31 December 2023: RMB0.06 billion).

2. *Borrowings and Pledged Assets*

As at 30 June 2024, the Group's total borrowings (including interest-bearing bank and other borrowings and senior notes) amounted to approximately RMB21.10 billion (as at 31 December 2023: approximately RMB21.44 billion), of which, interest-bearing bank and other borrowings were approximately RMB10.58 billion (as at 31 December 2023: approximately RMB10.99 billion) and senior notes were approximately RMB10.52 billion (as at 31 December 2023: approximately RMB10.45 billion).

The Group's total borrowings were repayable as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Interest-bearing bank loans and other borrowings:		
Repayable within one year or on demand	6,618,237	6,751,056
Repayable in the second year	1,796,879	2,031,925
Repayable in the third to fifth years, inclusive	1,666,057	1,610,140
Repayable beyond five years	500,000	597,500
Sub-total	<u>10,581,173</u>	<u>10,990,621</u>
Senior notes:		
Repayable on demand	<u>10,517,313</u>	<u>10,453,896</u>
Total borrowings	<u><u>21,098,486</u></u>	<u><u>21,444,517</u></u>

As at 30 June 2024, except for the borrowings in the amount of RMB11,479.4 million (as at 31 December 2023: RMB11,410.1 million) denominated in US\$, the remaining borrowings of the Group were denominated in RMB.

As at 30 June 2024, except for certain bank and other borrowings of RMB3,617,464,000 (as at 31 December 2023: RMB3,705,249,000) with fixed interest rates, all of the Group's bank and other borrowings bear interest at floating interest rates.

As at 30 June 2024, assets with an aggregate value of approximately RMB22,236.2 million (as at 31 December 2023: approximately RMB23,378.7 million) have been pledged to banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

3. *Gearing Ratio*

As at 30 June 2024, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 154.4%, as compared with approximately 126.1% as at 31 December 2023. As at 30 June 2024, the Group's debt to asset ratio (total debts divided by total assets) was approximately 81.7%, as compared with approximately 80.2% as at 31 December 2023. As at 30 June 2024, the Group's current ratio (current assets divided by current liabilities) was approximately 0.95 times, as compared with approximately 0.98 times as at 31 December 2023.

As of 30 June 2024, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 0.12 times, as compared with approximately 0.16 times as at 31 December 2023.

4. *Capital and Property Development Expenditure Commitments*

As at 30 June 2024, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB4.61 billion (as at 31 December 2023: approximately RMB5.32 billion).

CORPORATE GOVERNANCE/OTHER INFORMATION

1. Material Acquisitions and Disposals

On 9 August 2023, Guangzhou Hongzong Real Estate Development Company Limited* (廣州市弘宗房地產開發有限公司) (an indirect non-wholly-owned subsidiary of the Company) (“**Hongzong Real Estate**”), Guangzhou Pearl River Industrial Real Estate Company Limited* (廣州珠實地產有限公司) (“**PRI Real Estate**”) and Guangzhou Jingrun Real Estate Development Company Limited* (廣州璟潤房地產開發有限公司) (“**Project Company**”) entered into the equity and debt transfer agreement, pursuant to which Hongzong Real Estate agreed to sell and PRI Real Estate agreed to purchase the 34% equity interests in the Project Company held by Hongzong Real Estate (the “**Sale Shares**”) and the shareholder’s loan owed by the Project Company to Hongzong Real Estate in the amount of RMB479.3885 million (the “**Sale Loan**”) for an aggregate consideration of RMB295 million (the “**Disposal**”). Upon completion of the Disposal, the Group ceased to hold any interest in the Project Company.

For details, please refer to the announcement and circular of “MAJOR TRANSACTION – DISPOSAL OF 34% EQUITY INTERESTS IN PROJECT COMPANY” of the Company dated 9 August 2023 and 29 April 2024 respectively.

Save as the aforesaid, there was no material acquisition and disposal of subsidiaries, associated companies or joint ventures by the Group during the Reporting Period.

2. Employment and Remuneration Policies

As of 30 June 2024, the Group had 1,204 employees in total, of which 789 employees were engaged in the real estate development business, 331 employees were engaged in the commercial property operations and 84 employees were engaged in the hotel operations.

The emolument of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialized training schemes.

3. *Events after the Reporting Period*

Mr. Zeng Junkai and Mr. Lui Wai Pang have resigned as (i) an executive Director, the vice president of the Company and a member of the remuneration committee of the Board; and (ii) an executive Director, the vice president, the chief financial officer of the Company (the “**Chief Financial Officer**”) and a member of the nomination committee of the Board, respectively, with effect from 2 July 2024. Mr. Chen Bin, Executive President of the Company, and Mr. Hu Chunhuang has been appointed as (i) an executive Director and a member of the remuneration committee of the Board; and (ii) the Chief Financial Officer, respectively, with effect from 2 July 2024.

Save as disclosed above, the Group had no other significant events after the Reporting Period.

4. *Interim Dividend*

The Board has resolved that the Company will not declare any interim dividend for the Reporting Period (2023 Interim: Nil).

5. *Purchase, Sale or Redemption of Any of the Company’s Listed Securities*

During the Reporting Period, there was no purchase, sale or redemption by the Group of any of the Company’s listed securities (including sale of treasury shares). As of the end of Reporting Period, no treasury shares were held by the Company.

6. *Currency Risk*

The Group primarily operates in the PRC and the majority of the Group’s transactions were denominated and settled in RMB.

7. *Material Legal And Litigation Matters*

On 14 February 2024, a winding-up petition was filed against the Company at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”), in connection with a financial obligation in the amount of not less than USD228,500,000, being the amount of payment under the USD200,000,000 9.50% guaranteed notes due 2023 issued by the Company. As at the date of this announcement, no winding-up order has been made by the High Court against the Company. For details, please refer to the announcements of the Company dated 16 February 2024 and 13 March 2024.

8. Corporate Governance

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance.

To the knowledge of the Directors, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the Reporting Period, and the Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

The Board of the Company comprised only one single gender which does not comply with the requirement under Rule 13.92 of the Listing Rules.

The Company will propose to appoint an additional director of a different gender to the Board who genuinely possesses the necessary skills, experience and caliber appropriate to the Company’s business for the forthcoming year for the purpose of fulfilling and complying with the requirement under Rule 13.92 of the Listing Rules as soon as practicable.

9. The Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code for dealing in securities of the Company by the Directors.

After specific enquiries made to all Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the Reporting Period.

10. Review of Interim Results by the Audit Committee

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 in Part 2 of the CG Code.

The primary duties of our audit committee are to review and monitor the Group's financial reporting process, risk management and internal control system, to provide recommendation and advice to the Board, and to perform other duties and responsibilities as may be assigned by the Board. Our audit committee consists of three members, including Mr. Leung Yau Wan John, Mr. Lee Kwok Tung Louis and Mr. Au Yeung Po Fung. Our audit committee is chaired by Mr. Leung Yau Wan John, who possesses appropriate professional qualifications.

Our audit committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2024 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of financial reporting.

11. Publication of Interim Results and 2024 Interim Report on the Websites of the Hong Kong Stock Exchange and the Company

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.rsunproperty.hk). The interim report of the Company for the six months ended 30 June 2024 will be provided to the Company's shareholders and posted on the above websites in due course.

On behalf of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 29 August 2024

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha and Mr. Chen Bin; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.

* *for identification purposes only*