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**建業地產股份有限公司 \***

**Central China Real Estate Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 0832)

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

### **FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 30 June 2022 amounted to RMB7,301 million (six months ended 30 June 2021: RMB20,357 million), a decrease of 64.1% compared with the corresponding period in 2021.
- Gross profit for the six months ended 30 June 2022 amounted to RMB554 million (six months ended 30 June 2021: RMB3,638 million), a decrease of 84.8% compared with the corresponding period in 2021.
- Gross profit margin for the six months ended 30 June 2022 was 7.6%, a decrease of 10.3 percentage points compared with 17.9% for the corresponding period in 2021.
- Loss attributable to equity shareholders of the Company for the six months ended 30 June 2022 amounted to RMB5,605 million (six months ended 30 June 2021: profit attributable to equity shareholders of the Company for the period of RMB729 million).
- Loss for the six months ended 30 June 2022 amounted to RMB5,941 million (six months ended 30 June 2021: Profit for the period of RMB1,025 million).
- Basic loss per share for the six months ended 30 June 2022 amounted to RMB195.07 cents (six months ended 30 June 2021: basic earnings per share of RMB25.63 cents).

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of Central China Real Estate Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022, together with the relevant comparative figures in 2021 as follows:

### CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2022

(Expressed in Renminbi)

		Six months ended 30 June	
		2022	2021
	Note	RMB'000	RMB'000
			(unaudited)
<b>Revenue</b>	3	<b>7,300,552</b>	20,356,906
Cost of sales		<u>(6,746,597)</u>	<u>(16,719,102)</u>
<b>Gross profit</b>		<b>553,955</b>	3,637,804
Other revenue	4	<b>65,618</b>	130,800
Other net (losses)/income	4	<b>(2,620,375)</b>	190,137
Selling and marketing expenses		<b>(708,279)</b>	(773,087)
General and administrative expenses		<b>(615,340)</b>	(788,693)
Impairment losses on trade and other receivables and contract assets	5	<u><b>(327,129)</b></u>	<u>(35,110)</u>
		<b>(3,651,550)</b>	2,361,851
Finance costs	5	<b>(469,791)</b>	(464,356)
Share of profits less losses of associates		<b>3,380</b>	817
Share of profits less losses of joint ventures		<u><b>(65,333)</b></u>	<u>68,874</u>
<b>(Loss)/profit before change in fair value of investment property and income tax</b>		<b>(4,183,294)</b>	1,967,186
Net valuation (loss)/gain on investment property		<u><b>(1,513,625)</b></u>	<u>96,886</u>
<b>(Loss)/profit before taxation</b>	5	<b>(5,696,919)</b>	2,064,072
Income tax	6	<u><b>(244,565)</b></u>	<u>(1,038,859)</u>
<b>(Loss)/profit for the period</b>		<u><b>(5,941,484)</b></u>	<u>1,025,213</u>

## CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2022 (Continued)

(Expressed in Renminbi)

		Six months ended 30 June	
		2022	2021
	Note	RMB'000	RMB'000
			(unaudited)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(5,605,323)</b>	729,124
Non-controlling interests		<b>(336,161)</b>	296,089
		<u>(5,941,484)</u>	<u>1,025,213</u>
<b>(Loss)/profit for the period</b>		<b>(5,941,484)</b>	<b>1,025,213</b>
<b>(Loss)/earnings per share</b>	7		
– Basic (RMB cents)		<u>(195.07)</u>	<u>25.63</u>
– Diluted (RMB cents)		<u>(195.07)</u>	<u>25.54</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2022

(Expressed in Renminbi)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
		(unaudited)
<b>(Loss)/Profit for the period</b>	<b>(5,941,484)</b>	1,025,213
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	3,238	9,459
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on:		
– Translation of financial statements to the presentation currency	(239,943)	62,029
– Arising on a monetary item that forms part of net investment in foreign operations	(141,379)	78,868
<b>Other comprehensive income for the period</b>	<b>(378,084)</b>	150,356
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,319,568)</b>	1,175,569
<b>Attributable to:</b>		
Equity shareholders of the Company	(5,983,417)	879,484
Non-controlling interests	(336,151)	296,085
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,319,568)</b>	1,175,569

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2022

(Expressed in Renminbi)

		At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment		8,471,032	7,801,961
Investment property		3,711,801	5,074,100
Intangible assets and goodwill		1,091,258	1,110,223
Biological assets		8,225	11,368
Interests in associates	8	631,432	208,757
Interests in joint ventures	9	7,332,286	9,504,297
Other financial assets		679,080	672,049
Deferred tax assets		33,119	212,877
		<u>21,958,233</u>	<u>24,595,632</u>
<b>Current assets</b>			
Trading securities		45,320	53,647
Biological assets		2,960	9,547
Inventories and other contract costs	10	95,051,718	87,784,245
Contract assets		54,081	32,764
Trade and other receivables	11	5,548,762	5,703,023
Deposits and prepayments	12	12,879,414	14,183,252
Tax recoverable		3,734,335	3,596,734
Cash and cash equivalents and restricted bank deposits		6,507,826	9,847,808
		<u>123,824,416</u>	<u>121,211,020</u>
<b>Current liabilities</b>			
Bank loans	13	(3,341,460)	(2,399,050)
Other loans	14	(2,420,400)	(1,201,760)
Trade and other payables	15	(51,622,988)	(54,740,364)
Contract liabilities		(59,263,303)	(52,361,021)
Senior notes	16	(5,354,493)	(3,160,096)
Lease liabilities		(30,070)	(96,356)
Taxation payable		(1,343,422)	(1,881,476)
		<u>(123,376,136)</u>	<u>(115,840,123)</u>
<b>Net current assets</b>		<u>448,280</u>	<u>5,370,897</u>
<b>Total assets less current liabilities</b>		<u>22,406,513</u>	<u>29,966,529</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2022 (Continued)

(Expressed in Renminbi)

		At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i> (audited)
	<i>Note</i>		
<b>Non-current liabilities</b>			
Bank loans	13	(3,551,778)	(2,550,565)
Other loans	14	(150,000)	(320,000)
Senior notes	16	(10,972,022)	(12,308,542)
Lease liabilities		(182,526)	(399,368)
Deferred tax liabilities		(1,440,246)	(1,644,733)
		<u>(16,296,572)</u>	<u>(17,223,208)</u>
<b>NET ASSETS</b>		<u><b>6,109,941</b></u>	<u>12,743,321</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		260,118	260,118
Reserves		3,064,429	9,082,259
<b>Total equity attributable to equity shareholders of the Company</b>		<b>3,324,547</b>	9,342,377
<b>Non-controlling interests</b>		<u><b>2,785,394</b></u>	<u>3,400,944</u>
<b>TOTAL EQUITY</b>		<u><b>6,109,941</b></u>	<u>12,743,321</u>

## NOTES:

Central China Real Estate Limited (“**the Company**”) is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Room 7701B–7702A, 77<sup>th</sup> Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. This interim financial report as at and for the six months ended 30 June 2022 comprises the Company and its subsidiaries (together referred to as “**the Group**”) and the Group’s interests in associates and joint ventures. The principal activity of the Company is investment holding and the Group is principally engaged in property development, property leasing and hotel operations in Henan Province in the People’s Republic of China (“**the PRC**”).

### 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, 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 interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

#### **Material uncertainty related to going concern**

The Group incurred a net loss of RMB5,941 million for the six months ended 30 June 2022. Included in the current liabilities were loans of RMB5,762 million and senior notes of RMB5,354 million. The Group is aware of recent macroeconomic conditions which have potential implications on the business of the Group in the near to medium term. This mainly includes the tightened policies adopted by the local Chinese governments towards the real estate sector in 2021 and the deteriorating consumer sentiment in China, resulting in the whole real estate sector suffering from short-term liquidity pressures, which is even worsened by the recent lock-down of cities in Henan and other provinces in the People’s Republic of China (“**PRC**”) during April and May 2022 due to the COVID-19.

Recent macroeconomic conditions and volatility in the PRC real estate industry have created additional uncertainties for the Group. At the same time, the Group's refinancing of loans may also be more challenging than before due to the tightening of the overall financing conditions of property developers in Mainland China. The above situation indicates that there are significant uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors have reviewed the Group's cash flow projections prepared by management, which covers a period of at least 12 months from 30 June 2022. Certain plans and measures are formulated to mitigate the liquidity pressures and to improve its financial position which include, but not limited to, the following:

- (i) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds and other receivables;
- (ii) The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule, such that the Group is able to release restricted pre-sale proceeds as planned, while maintaining more stringent cost control measures;
- (iii) The Group will not commit on significant capital expenditures and land acquisitions before securing the necessary funding;
- (iv) On 1 June 2022, Joy Bright Investments Limited (the immediate parent company of the Company, "**Joy Bright**") and Henan Tongsheng Zhiye Co., Ltd. ("**the Investor**") entered into a framework agreement, pursuant to which, subject to the execution of a definitive subscription agreement between Joy Bright and the Investor, Joy Bright would sell to the Investor 29.01% of the issued share capital of the Company; and subject to the execution of a definitive subscription agreement between the Company and the Investor, the Investor will subscribe for the convertible bonds due 2024 in the principal amount of up to HK\$708 million with a coupon rate of 5% and a yield to maturity of 9% issued by the Company. On 21 July 2022, Joy Bright and Youdao Development International (Hong Kong) Limited, a directly wholly owned subsidiary of the Investor entered into the share sales and purchase agreement and the investor agreed to acquire 29.01% of the Company's issued shares at a consideration of HKD648 million. Subsequently on 5 August 2022, Joy Bright has provided a shareholder loan of the equivalent amount upon the receipt of the consideration; and



- (v) the Group will also continue to seek for bank loans and other financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The plans and measures as described above incorporate assumptions about future events and conditions. If the above plans and measures, the Group will be able to generate sufficient financing and operating cash flows to meet its liquidity requirements for at least the next twelve months from the end of the reporting period. Based on the directors' intentions and the cash flow forecast mentioned above, the directors are of the opinion that it is appropriate to prepare the Group's financial statements for the six months ended 30 June 2022 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for 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 interim financial information.

## **2 CHANGES IN ACCOUNTING POLICIES**

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use
- Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

None of these developments have had a material impact on this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are property development, property leasing and hotel operations. Revenue of the Group for the period is analysed as follows:

##### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS15</b>		
Disaggregation by major products or service lines		
– Sales of properties	7,017,562	19,417,567
– Revenue from hotel operations	89,408	165,599
– Revenue from project management service	21,267	566,363
– Others	100,450	115,626
	<u>7,228,687</u>	<u>20,265,155</u>
<b>Revenue from other sources</b>		
– Rental income from investment properties	65,025	70,078
– Rental income from properties for sale	6,840	21,673
	<u>71,865</u>	<u>91,751</u>
	<u>7,300,552</u>	<u>20,356,906</u>

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Point in time</b>		
– Sales of properties	<b>5,439,997</b>	17,012,882
– Revenue from hotel operations	<b>89,408</b>	165,599
– Others	<b>100,450</b>	115,626
	<u><b>5,629,855</b></u>	<u>17,294,107</u>
<b>Over time</b>		
– Sales of properties	<b>1,577,565</b>	2,404,685
– Revenue from project management service	<b>21,267</b>	566,363
– Rental income from investment properties	<b>65,025</b>	70,078
– Rental income from properties for sale	<b>6,840</b>	21,673
	<u><b>1,670,697</b></u>	<u>3,062,799</u>
	<u><b>7,300,552</b></u>	<u>20,356,906</u>

**(b) Segment reporting**

**(i) Products and services from which reportable segments derive their revenue**

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8, *Operating segments*.

**(ii) Geographic information**

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in the PRC.

#### 4 OTHER REVENUE AND OTHER NET (LOSSES)/INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Other revenue</b>		
Interest income	28,235	109,167
Dividend income from equity securities	2,324	3,900
Government grants	19,273	7,630
Others	15,786	10,103
	<u>65,618</u>	<u>130,800</u>
<b>Other net (losses)/income</b>		
Net realised and unrealised loss on trading securities	(10,457)	(2,925)
Inventory write-down	(1,736,096)	(251,381)
Net loss on disposals of property, plant and equipment	(25,068)	(12)
Net gain on deemed disposals and disposals of joint ventures	3,276	36,134
Net (loss)/gain on deemed disposals and disposals of subsidiaries	(474,955)	380,135
Net gain on deemed disposals and disposals of associates	–	8,486
Net exchange (loss)/gain	(91,192)	56,305
Penalty accruals	(276,952)	(26,984)
Others	(8,931)	(9,621)
	<u>(2,620,375)</u>	<u>190,137</u>

## 5 (LOSS)/PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>(a) Finance costs</b>		
Interest on bank loans and other borrowings	<b>1,163,617</b>	1,158,334
Interest on lease liabilities	<b>21,038</b>	19,608
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	<b>1,184,655</b>	1,177,942
Interest accrued on advance payments from customers	<b>715,159</b>	1,214,418
Less: interest expense capitalised into properties under development	<b>(1,441,477)</b>	(2,057,639)
	<hr/>	<hr/>
	<b>458,337</b>	334,721
Net change in fair value of derivatives	<b>11,454</b>	129,635
	<hr/>	<hr/>
	<b>469,791</b>	464,356
	<hr/> <hr/>	<hr/> <hr/>
<b>(b) Other items</b>		
Amortisation	<b>9,787</b>	4,861
Depreciation charge		
– owned property, plant and equipment	<b>111,362</b>	108,635
– right-of-use assets	<b>22,806</b>	41,828
Impairment losses on trade and other receivables and contract assets	<b>327,129</b>	35,110
Cost of properties sold	<b>6,565,831</b>	16,371,267
	<hr/> <hr/>	<hr/> <hr/>

**6 INCOME TAX**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current tax</b>		
PRC Corporate Income Tax	<b>43,240</b>	817,393
PRC Land Appreciation Tax	<b>271,355</b>	292,096
Withholding tax	<u>–</u>	<u>113,562</u>
	<b>314,595</b>	<b>1,223,051</b>
<b>Deferred tax</b>		
PRC Corporate Income Tax	<b>(100,015)</b>	(131,009)
PRC Land Appreciation Tax	<b>29,985</b>	(53,183)
	<u><b>(70,030)</b></u>	<u>(184,192)</u>
	<b>244,565</b>	<b>1,038,859</b>

- (a) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.
- (b) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.

(c) **PRC Corporate Income Tax (“CIT”)**

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the Company’s subsidiaries in the PRC (“**PRC subsidiaries**”) as determined in accordance with the relevant income tax rules and regulations of the PRC.

The PRC subsidiaries were subject to the actual taxation method, charged CIT at a rate of 25% (2021: 25%) on the estimated assessable profits for the period.

(d) **Land Appreciation Tax (“LAT”)**

All income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation of land value do not exceed 20% of the sum of the total deductible items.

(e) **Withholding tax**

Withholding taxes are levied on the Company’s subsidiaries in Hong Kong (“**Hong Kong subsidiaries**”) in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by Hong Kong subsidiaries from PRC subsidiaries ranged from 5% to 10%.

**7 (LOSS)/EARNINGS PER SHARE**

(a) **Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB5,605,323,000 (2021: profit of RMB729,124,000) and the weighted average of 2,873,478,898 ordinary shares (2021: 2,844,797,169 shares) in issue during the interim period.

**(b) Diluted loss per share**

The calculation of diluted loss per share was based on the loss attributable to ordinary equity shareholders of the Company of RMB5,605,323,000 (2021: profit of RMB729,124,000) and the weighted average number of ordinary shares of 2,873,478,898 (2021: 2,854,966,974 shares).

**(i) (Loss)/Profit attributable to ordinary equity shareholders of the Company (diluted)**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(Loss)/Profit attributable to equity shareholders (diluted)	<u><b>(5,605,323)</b></u>	<u><b>729,124</b></u>

**(ii) Weighted average number of ordinary shares (diluted)**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares at 30 June	<b>2,873,478,898</b>	2,844,797,169
Effect of deemed issue of ordinary shares under the Company's share option scheme and share award scheme	<u><b>–</b></u>	<u><b>10,169,805</b></u>
Weighted average number of ordinary shares (diluted) at 30 June	<u><b>2,873,478,898</b></u>	<u><b>2,854,966,974</b></u>



## 8 INTEREST IN ASSOCIATES

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Share of net assets	242,650	160,200
Amounts due from associates	<u>388,782</u>	<u>48,557</u>
	<u><b>631,432</b></u>	<u><b>208,757</b></u>

## 9 INTEREST IN JOINT VENTURES

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Share of net assets	2,303,739	2,700,666
Amounts due from joint ventures	<u>5,028,547</u>	<u>6,803,631</u>
	<u><b>7,332,286</b></u>	<u><b>9,504,297</b></u>

### (a) Deemed disposal of joint ventures in step acquisitions

During the six months ended 30 June 2022, the Group entered into equity transfer agreements with respective joint venturers to acquire additional equity interests. Upon completion of the above transactions, these joint ventures became subsidiaries of the Group.

The net gain of RMB3,276,000 (2021: RMB36,134,000) on deemed disposals of these joint ventures was recognised in profit or loss during the period, by remeasuring the Group's previously held equity interests in these entities at the acquisition date fair value.

### (b) Amounts due from joint ventures

Amounts due from joint ventures included amount of RMB121,012,000 (31 December 2021: RMB1,170,671,000) which are interest-bearing at 10% – 12% per annum, unsecured and have no fixed terms of payment. The remaining amounts due from joint ventures are unsecured, interest-free and have no fixed terms of payment. They are expected to be recovered after more than one year.

## 10 INVENTORIES AND OTHER CONTRACT COSTS

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
<b>Inventories</b>		
– Properties held for future development and under development for sale	88,075,223	79,006,969
– Completed properties held for sale	6,554,351	8,402,943
– Others	<u>77,709</u>	<u>50,247</u>
	94,707,283	87,460,159
<b>Other contract costs</b>	<u>344,435</u>	<u>324,086</u>
	<u><b>95,051,718</b></u>	<u><b>87,784,245</b></u>

As at 30 June 2022, the Group's inventories of RMB624,149,000 (31 December 2021: RMB4,673,099,000) were pledged as securities of joint ventures' loans.

## 11 TRADE AND OTHER RECEIVABLES

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Trade debtors and bills receivable, net of loss allowance	91,697	92,142
Other debtors	1,747,768	1,893,364
Amounts due from joint ventures	133,936	173,192
Amounts due from associates	3,744	4,021
Amounts due from entities controlled		
by the ultimate controlling shareholder	198,485	112,242
Amounts due from entities jointly controlled by a close family		
member of the ultimate controlling shareholder	3,095	4,578
Amounts due from non-controlling interests	<u>3,362,956</u>	<u>3,405,521</u>
Financial assets measured at amortised cost	5,541,681	5,685,060
Derivative financial instruments		
– redemption call options embedded in senior notes	<u>7,081</u>	<u>17,963</u>
	<u><u>5,548,762</u></u>	<u><u>5,703,023</u></u>

Amounts due from joint ventures and non-controlling interests are unsecured, interest-free and has no fixed terms of repayment.

Amounts due from entities controlled by the ultimate controlling shareholder mainly represented amounts in relation to the lease, hotel and other miscellaneous services provided by the Group, which are unsecured and to be settled according to the contract terms.

Amounts due from joint venturers are unsecured, interest-bearing at 8%-12% per annum and expected to be repaid within one year.

**(a) Aging analysis**

The ageing analysis of bills and trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	<b>At</b>	<b>At</b>
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>57,062</b>	56,302
3 to 6 months	<b>18,955</b>	20,363
6 to 12 months	<b>10,103</b>	11,827
Over 1 year	<b>5,577</b>	3,650
	<u><b>91,697</b></u>	<u>92,142</u>

Trade debtors and bills receivable are due upon the invoicing.

**12 DEPOSITS AND PREPAYMENTS**

At 30 June 2022, the balance included deposits and prepayments for leasehold land for development purpose of RMB9,678,477,000 (31 December 2021: RMB11,502,378,000), which will be transferred to inventory upon the registration of the ownership interest in the land.

## 13 BANK LOANS

(a) As at 30 June 2022, bank loans were repayable as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Within 1 year or on demand	3,341,460	2,399,050
After 1 year but within 2 years	2,048,322	1,077,560
After 2 years but within 5 years	1,344,856	1,314,005
After 5 years	158,600	159,000
	<u>3,551,778</u>	<u>2,550,565</u>
	<u><b>6,893,238</b></u>	<u><b>4,949,615</b></u>

(b) As at 30 June 2022, the bank loans were secured as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Bank loans		
– secured	6,854,238	4,910,615
– unsecured	39,000	39,000
	<u>6,893,238</u>	<u>4,949,615</u>

- (c) As at 30 June 2022, the secured bank loans are secured over equity interest in subsidiaries of the Group and other assets as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Properties for sale	7,840,352	5,313,645
Property, plant and equipment	1,135,395	781,856
Investment property	202,598	–
	<u>9,178,345</u>	<u>6,095,501</u>

#### 14 OTHER LOANS

- (a) As at 30 June 2022, other loans were repayable as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Within 1 year	2,420,400	1,201,760
After 1 year but within 2 years	149,000	319,000
After 2 years but within 5 years	1,000	1,000
	<u>150,000</u>	<u>320,000</u>
	<u>2,570,400</u>	<u>1,521,760</u>

- (b) As at 30 June 2022, the other loans were secured as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Other loans		
– secured	2,570,400	1,407,700
– unsecured	–	114,060
	<u>2,570,400</u>	<u>1,521,760</u>

- (c) As at 30 June 2022, the secured other loans are secured over interests in subsidiaries of the Group and other assets as follows:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Properties for sale	4,845,175	2,536,217
Property, plant and equipment	<u>347,048</u>	<u>324,877</u>
	<u><b>5,192,223</b></u>	<u><b>2,861,094</b></u>

## 15 TRADE AND OTHER PAYABLES

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Trade creditors and bills payable	32,990,797	32,832,477
Other creditors and accrued charges	7,187,132	6,501,449
Amounts due to joint ventures	1,511,056	5,926,640
Amounts due to associates	138,119	146,532
Amounts due to entities controlled by the ultimate controlling shareholder	1,773,546	1,345,035
Amounts due to non-controlling interests	<u>5,463,501</u>	<u>4,668,657</u>
Financial liabilities measured at amortised cost	<u><b>49,064,151</b></u>	<u><b>51,420,790</b></u>
Other tax payables	<u>2,558,837</u>	<u>3,319,574</u>
	<u><b>51,622,988</b></u>	<u><b>54,740,364</b></u>

Amounts due to joint ventures and associates are unsecured, interest-free and have no fixed terms of payment.

Amounts due to entities controlled by the ultimate controlling shareholder mainly included amount due to Central China New Life Limited 建業新生活有限公司 (“**Central China New Life**”) together with its subsidiaries of RMB1,279,925,000 (31 December 2021: RMB1,006,233,000) and amount due to DIT Group Limited 築友智造科技集團有限公司 (“**Drawin Intelligent Manufacture**”) together with its subsidiaries of RMB493,621,000 (31 December 2021: RMB336,197,000), for receiving services from these entities which are interest free, unsecured and to be settled according to the contract terms.

Amounts due to non-controlling interests included amount of RMB1,387,000 (31 December 2021: RMB180,043,000) which are unsecured, interest bearing at 9%~14% (31 December 2021: 12%~14%) per annum and repayable within 1 year. The remaining amounts due to non-controlling interests are unsecured, interest-free and have no fixed terms of payment.

The amount of financial guarantees issued expected to be recognised as income after more than one year is RMB9,890,000 (2021: RMB11,123,000).

**(a) Aging analysis**

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

	At <b>30 June</b> <b>2022</b> <i><b>RMB'000</b></i>	At 31 December 2021 <i>RMB'000</i>
Within 3 months	<b>15,924,081</b>	17,420,384
3-6 months	<b>3,184,464</b>	4,777,432
6-12 months	<b>7,590,841</b>	5,851,222
Over 12 months	<b>6,291,411</b>	4,783,439
	<b>32,990,797</b>	32,832,477



## 16 SENIOR NOTES

### Liability component of the Senior Notes:

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
US\$500 million due in August 2022	3,350,257	3,160,096
US\$300 million due in April 2023	2,004,236	1,899,358
US\$200 million due in November 2023	1,316,949	1,249,026
US\$400 million due in August 2023	2,674,144	2,536,964
US\$200 million due in July 2024	1,334,113	1,265,947
US\$300 million due in August 2024	1,942,531	1,843,349
US\$300 million due in May 2024	1,988,065	1,887,026
US\$260 million due in July 2025	<u>1,716,220</u>	<u>1,626,872</u>
	<b>16,326,515</b>	15,468,638
Representing:		
– Current	5,354,493	3,160,096
– Non-current	<u>10,972,022</u>	<u>12,308,542</u>
	<b><u>16,326,515</u></b>	<b><u>15,468,638</u></b>

During the six months ended 30 June 2022, the Company did not redeem any outstanding senior note nor issued senior notes.

## 17 DIVIDENDS

### Dividends payable to equity shareholders attributable to the interim period

	At <b>30 June</b> <b>2022</b> <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Interim dividend declared after the interim period: Nil (2021 interim: HK\$14.75 cents (equivalent to RMB12.27 cents) per ordinary share)	<u><u>–</u></u>	<u><u>364,168</u></u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

## 18 COMMITMENTS

Capital commitments outstanding at 30 June 2022 not provided for in the interim financial report:

	At <b>30 June</b> <b>2022</b> <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Capital commitments for property development		
– Authorised but not contracted for	<b>72,229,480</b>	71,140,158
– Contracted but not provided for	<u><b>18,356,099</b></u>	<u>18,032,775</u>
	<u><u><b>90,585,579</b></u></u>	<u><u>89,172,933</u></u>

## 19 FINANCIAL GUARANTEE

### (a) **Guarantees given to financial institutions for mortgage facilities granted to buyers of the Group's, joint ventures' and associates' properties**

The Group, joint ventures and associates provide guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by buyers of properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the Group, joint ventures and associates are responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to the banks. The Group's, joint ventures' and associates' guarantee periods commence from the dates of grants of the relevant mortgage loans and end after the buyers obtain the individual property ownership certificates of the properties purchased.

The directors do not consider it is probable that the Group, joint ventures and associates will sustain a loss under these guarantees during the periods under guarantees as the Group, joint ventures and associates have not applied for individual property ownership certificates for these buyers and can take over the ownership of the related properties and sell the properties to recover any amounts paid by the Group, joint ventures and associates to the banks. The Group, joint ventures and associates have 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 market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group, joint ventures and associates in the event that the buyers default payments to the banks.

### (b) **Guarantees given to financial institutions for bank loans and other loans granted to joint ventures and associates:**

The Group provided guarantees to bank loans and other loans of joint ventures and associates. The Group closely monitors the repayment progress of the relevant loans by those joint ventures and associates. At the end of the reporting period, the directors do not consider it is probable that claims will be made against the Group under these guarantees.

(c) **Guarantee given to Henan Hongdao**

On 24 December 2019, the Group entered into an arrangement to provide guarantee to Henan Hongdao Business Information Consultancy Co., Ltd. 河南弘道商務信息諮詢有限公司 (“**Henan Hongdao**”), the entity controlled by Mr. Wu Po Sum, in respect of Henan Hongdao five-year bank loan amounting to RMB500,000,000, with annual guarantee fee at 1% of the principal amount outstanding.

During the six months ended 30 June 2022, financial guarantee income of RMB2,500,000 was recognised (2021: RMB10,103,000).

**20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD**

- (a) On 21 July 2022, Joy Bright Investment Limited (“**Joy Bright**”) and Youdao Development International (Hong Kong) Limited, a directly wholly owned subsidiary of Henan Tongsheng Zhiye Co., Ltd. (河南同晟置業有限公司) entered into a share sale and purchase agreement, the details of which were disclosed in the Company’s announcement dated 21 July 2022 as published on the Hong Kong Stock Exchange.
- (b) On 8 August 2022, the Company has redeemed outstanding senior notes due in 2022 upon maturity with principal amount of US\$500,000,000 and nominal interest rate of 6.875% at the predetermined redemption price.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### *Overall performance*

The Group announced that the contracted sales of heavy assets amounted to approximately RMB14,040 million for the six months ended 30 June 2022 (six months ended 30 June 2021: approximately RMB31,053 million), representing a period-on-period decrease of approximately 54.8%. The cash and cash equivalents and restricted bank deposits of the Group in total amounted to approximately RMB6,508 million as at 30 June 2022 (31 December 2021: RMB9,848 million).

As at 30 June 2022, the total net borrowings was approximately RMB19,282 million (31 December 2021: approximately RMB12,092 million). The Company adheres to prudent financial principles to maintain reasonable cash holdings and borrowing levels.

The Group continued to implement a prudent approach to acquire land and accelerated the project construction progress so as to shorten the development cycle.

During the six months ended 30 June 2022, the Group delivered 31 property projects (six months ended 30 June 2021: 43 property projects). Besides, the Group owned 192 projects under development for the six months ended 30 June 2022 (six months ended 30 June 2021: 180 projects).

Due to 1) the period-on-period decline in sales as a result of the continuing downturn of the real estate industry; 2) the decline in delivery and decrease in revenue recognised during the period as the COVID-19 epidemic caused delays in construction progress; 3) the declining demand for commercial leasing and the decrease in fair value of investment properties due to the overall weak performance of China's macro market; 4) the decrease in gross profit margin as a result of the declining average selling price of properties; and 5) the increase in inventory impairment during the period, the Company incurred loss attributable to the equity shareholders of approximately RMB5,605 million for the six months ended 30 June 2022 (six months ended 30 June 2021: profit attributable to the equity shareholders of approximately RMB729 million).

As at 30 June 2022, the property sales of the Group not recognised was approximately RMB64,269 million (six months ended 30 June 2021: approximately RMB67,627 million) with a corresponding gross profit of approximately RMB6,805 million (six months ended 30 June 2021: approximately RMB10,414 million). The amount is expected to be recognised as revenue and gross profit in the next two to three years. In addition, the property sales of the joint ventures and associates not recognised were approximately RMB7,428 million (six months ended 30 June 2021: approximately RMB14,565 million) with a corresponding gross profit of approximately RMB1,125 million (six months ended 30 June 2021: approximately RMB2,519 million).

**Revenue:** The Group's revenue decreased by 64.1% from approximately RMB20,357 million for the six months ended 30 June 2021 to approximately RMB7,301 million for the six months ended 30 June 2022, primarily due to 1) the period-on-period decline in sales as a result of the continuing downturn of the real estate industry; 2) the decline in delivery and decrease in revenue recognised during the period as the COVID-19 epidemic caused delays in construction progress.

- **Income from sales of properties:** Income from property sales decreased by 63.9% from approximately RMB19,418 million for the six months ended 30 June 2021 to approximately RMB7,018 million for the six months ended 30 June 2022 which was due to a decrease of 62.1% in the GFA recognised from 2,663,313 sq.m. for the six months ended 30 June 2021 to 1,009,010 sq.m. for the six months ended 30 June 2022 while the average selling price (excluding underground parking spaces) decreased by 6.8% from RMB7,013 per sq.m. for the six months ended 30 June 2021 to RMB6,535 per sq.m. for the six months ended 30 June 2022.
- **Rental income:** Income from property leasing decreased by 21.7% from approximately RMB92 million for the six months ended 30 June 2021 to approximately RMB72 million for the six months ended 30 June 2022, which was mainly due to the weak overall macro market performance in China and the impact of the COVID-19 pandemic, for which the Group provided rental relief to certain tenants.
- **Revenue from hotel operation:** Revenue from hotel operation decreased by 46.0% from approximately RMB166 million for the six months ended 30 June 2021 to approximately RMB89 million for the six months ended 30 June 2022 which was primarily due to the rebound of the epidemic in the period that the occupancy rate decreased in some areas which are in a static state.
- **Revenue from provision of project management service:** Revenue from provision of project management service was derived from operation and management services provided by the Group for light-asset projects. The revenue amounted to approximately RMB566 million for the six months ended 30 June 2021, which was contributed by Central China Management Company Limited (“CCMGT”) during the five months before its spin-off on 31 May 2021. CCMGT was independently listed on the Main Board of The Stock Exchange of Hong Kong Limited on 31 May 2021 (Stock Code: 9982.HK). After the spin-off, the Group only provided project management services under legacy contracts entered into by the Group prior to CCMGT's spin-off for project management service income. Therefore, for the six months ended 30 June 2022, the Group's project management service revenue was approximately RMB21 million.

**Cost of sales:** The Group's cost of sales decreased by 59.6% from approximately RMB16,719 million for the six months ended 30 June 2021 to approximately RMB6,747 million for the six months ended 30 June 2022. The decrease in cost of sales was due to the decrease in GFA recognised as mentioned above.

**Gross profit:** The Group's gross profit decreased by 84.8% from approximately RMB3,638 million for the six months ended 30 June 2021 to approximately RMB554 million for the six months ended 30 June 2022, while our gross profit margin decreased by 10.3 percentage points from 17.9% for the six months ended 30 June 2021 to 7.6% for the six months ended 30 June 2022. It was primarily because 1) properties sold at discounts last year were delivered and recognised during the period, resulting in a significant decrease in the overall gross profit margin; and 2) the implementation of a focused destocking policy for apartments, parking spaces and villas of commercial nature so as to promote sales, which resulted in a decrease in the average selling price of the properties delivered and a greater decrease in gross profit margin. As a result, the overall gross profit margin of property sales decreased from 15.7% for the six months ended 30 June 2021 to 6.4% for the current corresponding period.

**Other revenue:** Other revenue decreased by 49.8% from approximately RMB131 million for the six months ended 30 June 2021 to approximately RMB66 million for the six months ended 30 June 2022. This was primarily due to a decrease in interest income.

**Other net (losses)/income:** Other net loss for the six months ended 30 June 2022 was approximately RMB2,620 million, as compared to other net income of approximately RMB190 million for the same period in 2021. This was primarily due to the increase in inventory write-down of approximately RMB1,485 million, the increase in net loss on deemed disposal and disposal of subsidiaries of approximately RMB855 million and the decrease in net foreign exchange gain/(loss) of approximately RMB147 million during the period.

**Selling and marketing expenses:** Selling and marketing expenses decreased by 8.4% from approximately RMB773 million for the six months ended 30 June 2021 to approximately RMB708 million for the six months ended 30 June 2022, which was mainly due to a decrease in staff costs such as sales commission of approximately RMB93 million, offset by an increase in outbound labor costs of approximately RMB13 million. The rate of selling and marketing expenses on revenue increased by 5.9 percentage points from approximately 3.8% for the six months ended 30 June 2021 to approximately 9.7% for the six months ended 30 June 2022 due to decline in revenue.

**General and administrative expenses:** general and administrative expenses decreased by 22.0% from approximately RMB789 million for the six months ended 30 June 2021 to approximately RMB615 million for the six months ended 30 June 2022. This was primarily due to a decrease in staff costs of approximately RMB139 million and a decrease in hospitality, travel and office expenses of approximately RMB20 million. The rate of general and administration expenses on revenue increased by 4.5 percentage points from approximately 3.9% for the six months ended 30 June 2021 to approximately 8.4% for the six months ended 30 June 2022 due to decline in revenue.

**Impairment losses on trade and other receivables and contract assets:** Impairment losses on trade, other receivables and contract assets increased by approximately RMB292 million from approximately RMB35 million for the six months ended 30 June 2021 to approximately RMB327 million for the six months ended 30 June 2022. This was mainly because the balance of other receivables being considered as having a significant increase in credit risk at the end of the period increased, and the provision for expected credit losses increased as compared with the same period in 2021.

**Finance costs:** increased by 1.2% from approximately RMB464 million for the six months ended 30 June 2021 to approximately RMB470 million for the six months ended 30 June 2022. This was mainly because 1) an increase of approximately RMB124 million in interest expense on borrowings; offset by 2) the forward foreign exchange contracts, foreign exchange options and foreign exchange swap contracts affected by the fluctuation of RMB/USD exchange rate during the six months ended 30 June 2021 have expired in 2021, the loss on change in fair value of derivative financial instruments for the period decreased by approximately RMB118 million accordingly.

**Share of profits less losses of associates:** share of profits of associates for the six months ended 30 June 2022 amounted to approximately RMB3 million, representing an increase of RMB2 million compared with share of profit of associates of approximately RMB1 million for the same period in 2021.



**Share of profits less losses of joint ventures:** share of losses of joint ventures for the six months ended 30 June 2022 amounted to approximately RMB65 million, as compared to share of profits of joint ventures of approximately RMB69 million for the same period in 2021.

**Net valuation (loss)/gain on investment property:** A net valuation loss of approximately RMB1,514 million on investment properties for the six months ended 30 June 2022 was recognised by the Group. As compared with an increase in fair value of investment properties of approximately RMB97 million for the six months ended 30 June 2021. This was mainly due to the overall weak macro market performance in China, where the demand for commercial leasing decreased and the fair value of investment properties decreased.

**Income tax:** Income tax mainly comprises corporate income tax and land appreciation tax. The Group's income tax decreased by 76.5% from approximately RMB1,039 million for the six months ended 30 June 2021 to approximately RMB245 million for the six months ended 30 June 2022. This was mainly due to a decrease in income tax as a result of a decrease in income from property sales recognised during the current period.

**(Loss)/Profit for the period:** As a result of the foregoing, loss for the period amounted to approximately RMB5,941 million for the six months ended 30 June 2022 (for the six months ended 30 June 2021: profit for the period of RMB1,025 million).

**Financial resources and utilisation:** As at 30 June 2022, the Group's cash and cash equivalents and restricted bank deposits amounted to approximately RMB6,508 million (31 December 2021: approximately RMB9,848 million). Subsequent to the reporting period, the Company resolved not to declare an interim dividend for the six months ended 30 June 2022 (30 June 2021: approximately RMB364 million in total).

## Structure of Borrowings and Deposits

The Group continued to adopt a prudent principle on financial management and centralise our funding and financial management. Therefore, we maintained a reasonable level of cash and borrowings. As at 30 June 2022, the repayment schedule of the Group's bank and other borrowings was as follows:

	<b>As at 30 June 2022 RMB'000</b>	<b>As at 31 December 2021 RMB'000</b>
<b>Repayment Schedule</b>		
<b>Bank loans</b>		
Within one year	<b>3,341,460</b>	2,399,050
More than one year, but not exceeding two years	<b>2,048,322</b>	1,077,560
More than two years, but not exceeding five years	<b>1,344,856</b>	1,314,005
Exceeding five years	<b>158,600</b>	159,000
	<b>6,893,238</b>	4,949,615
<b>Other loans</b>		
Within one year	<b>2,420,400</b>	1,201,760
More than one year, but not exceeding two years	<b>149,000</b>	319,000
More than two years, but not exceeding five years	<b>1,000</b>	1,000
	<b>2,570,400</b>	1,521,760

	As at <b>30 June</b> <b>2022</b> <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
<b>Repayment Schedule</b>		
<b>Senior notes</b>		
Within one year	5,354,493	3,160,096
More than one year, but not exceeding two years	5,979,158	5,685,348
More than two years, but not exceeding five years	<u>4,992,864</u>	<u>6,623,194</u>
	<u>16,326,515</u>	<u>15,468,638</u>
<b>Total borrowings</b>	<u><u>25,790,153</u></u>	<u><u>21,940,013</u></u>
<b>Deduct:</b>		
Cash and cash equivalents and restricted bank deposits	<u>(6,507,826)</u>	<u>(9,847,808)</u>
<b>Net borrowings</b>	<u>19,282,327</u>	<u>12,092,205</u>
<b>Total equity</b>	<u>6,109,941</u>	<u>12,743,321</u>
<b>Net gearing ratio (%)</b>	<u><u>315.6%</u></u>	<u><u>94.9%</u></u>

**Pledge of assets:** As at 30 June 2022, we had pledged completed properties, properties under development, properties for future development, plant and equipment, and loan deposit with an aggregate carrying amount of approximately RMB14,371 million (31 December 2021: approximately RMB8,957 million) to secure general bank credit facilities and other loans granted to us. We also pledged properties for sale with an aggregate carrying amount of approximately RMB624 million (31 December 2021: approximately RMB4,673 million) to secure loans granted to joint ventures.

**Capital commitment:** As at 30 June 2022, we had contractual commitments undertaken by subsidiaries, the performance of which was underway or ready, in respect of property development amounting to approximately RMB18,356 million (31 December 2021: approximately RMB18,033 million), and we had authorised, but not yet contracted for, a further approximately RMB72,229 million (31 December 2021: approximately RMB71,140 million) in other expenditures in respect of property development and capital investments.

**Foreign exchange risk:** Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 30 June 2022, our major non-RMB assets and liabilities are (i) bank deposits denominated in H.K. dollar; and (ii) the senior notes denominated in U.S. dollar. We are subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in currencies other than RMB.

**Interest rate risk:** The interest rates for a portion of our loans were floating. Upward fluctuation in interest rates will increase the interest cost of new and existing loans. We currently do not use derivative instruments to hedge their interest rate risk.

## **I. Market Review**

### **1. *The Macro-economic Environment***

Since 2022, the COVID-19 pandemic and the Ukraine crisis have led to increased risks and challenges. The complexity, severity and uncertainty of the economic development environment in China have increased. In the face of the exceptionally complex and difficult situation, the CPC Central Committee led by comrade Xi Jinping has a profound understanding of the international and domestic situation, efficiently coordinates pandemic prevention and control with economic and social development, coordinates development and security, and insists on taking the lead in stability and seeking progress in stability. The main economic indicators of the PRC fell deeply in April, narrowed in May, while the economy stabilized and rebounded in June. In the second quarter, the PRC economy withstood the pressure and achieved positive growth. According to preliminary estimates, the GDP of the PRC in the first half of the year was RMB56,264.2 billion, representing a period-on-period increase of 2.5% at constant prices.

Since 2022, Henan has been conscientiously implementing the spirit of the important speeches of General Secretary Xi Jinping and the major national decisions and deployments, insisting on the general keynote of stability and seeking progress in the midst of stability, acting proactively and overcoming difficulties, focusing on stabilizing the economy. The provincial economic operation is basically stable, showing an overall trend of “stabilization and improvement, accumulation and advancement”, laying a solid foundation for the economic development “full-year success”. With the implementation of the central government’s policy of “preventing pandemics, stabilizing the economy, and securing development”, Henan’s economy has rebounded strongly, with the province’s GDP in the first half of 2022 reaching RMB3,075.7 billion, representing a period-on-period increase of 3.1% in comparable prices.

## **2. *The Real Estate Market***

In the first half of 2022, China's real estate market experienced unprecedented challenges due to the continued downward pressure, lack of market confidence and the impact of the pandemic. The overall market supply and demand and transactions did not show any obvious signs of recovery, and the cumulative period-on-period growth in real estate development investment was negative for the first time. Amidst the severe and complex external environment and increasing downward pressure on the economy, "stabilizing the real estate market" is still crucial to "stabilizing the economy". From April to May, various regions successively introduced easing policies to "save the market", and each region optimized policies nearly 500 times. Under the main tone of stabilizing the real estate market, the overall supply and demand began to show signs of recovery, with a significant increase in June from the previous month and a narrowing of the period-on-period decline, showing that the market rebounded from the bottom.

In the first half of 2022, the area of properties sold in China amounted to 689.23 million sq.m., representing a period-on-period decrease of 22.2%; the property sales amounted to RMB6,607.2 billion, representing a period-on-period decrease of 28.9%; and the total investment in the property development in China reached RMB6,831.4 billion, representing a period-on-period decrease of 5.4%.

In the first half of 2022, under the general environment of national economic pressure and downturn in the real estate market, the real estate investment in Henan Province slowed down noticeably, and the newly commenced GFA and the area of sales decreased significantly period-on-period. Since March 2022, the national real estate market policies have been relaxed constantly. A number of places in Henan Province have actively implemented the city-based policies and gradually released the relevant regulatory policies, which have played an important role in the recovery of the real estate market. The signs of recovery are gradually emerging. From January 2022 to June 2022, the area of property sold in Henan Province amounted to 56.7065 million sq.m., representing a period-on-period decrease of 8.9%; the property sales amounted to RMB348.471 billion, representing a period-on-period decrease of 17.3%; and the total investment in the property development in China reached RMB371.336 billion, representing a period-on-period decrease of 0.4%.

## **II. Market Outlook**

### ***1. The Macro-economic Landscape***

In the second half of 2022, in order to welcome the victory of the Party's 20th National Congress, the PRC Central Government continues to adhere to the general tone of striving for stability, continues to improve people's livelihood, and focuses on stabilizing the macroeconomic situation, keeping the economy in a reasonable range and maintaining the general social stability. In the second half of the year, with the rollout of normalized nucleic acid testing, the coordination between pandemic prevention and control and economic growth will be more reasonable, and a package of policies to stabilize growth will be fully released. Incremental policies such as monetary, fiscal, real estate, domestic demand expansion, smooth cycle, SMEs relief and employment stabilization will continue to increase, and economic growth will return to strength in the third and fourth quarters.

Since this year, especially in the second quarter, Henan Province has taken effective measures to deal with the pandemic, and the economy has shown stronger resilience, greater potential and resistance to risks and shocks. In the second half of the year, the external environment for economic development in Henan Province remains complex and severe, and the stable recovery of the economy faces numerous challenges. The next step is still to insist on the pandemic prevention and control as well as the economic and social development, pay close attention to stabilize the growth of a series of policy measures, and ensure that the economic operation in a reasonable range.

## **2. *Real estate Market Outlook***

In the second half of the year, the real estate market still faces great challenges, and the pace of market recovery depends on the degree of macro-fundamental recovery, the effect of pandemic prevention and control, and the strength of policy optimization. The importance of “stabilizing the property market” to “stabilizing the economy” has increased, and the frequency of city-based policies may remain at a faster pace, with room for policies on both the supply and demand sides. With the steady recovery of the macro-economy, the steady improvement of residents’ income, coupled with the continued emergence of favorable policies in the real estate market, the market’s confidence in housing purchases has been gradually restored and the backlog of market demand has been released, driving the steady growth of commodity sales in the second half of the year.

With the peak period of debt repayment being over, the pressure on real estate enterprises has been relieved. With the introduction of systematic policies of various cities and the greater supervision of policy implementation by the central government, it is expected that in the second half of the year, high-quality leading real estate enterprises will be more willing to seek additional land storage opportunities, so as to drive the recovery of industry performance figures from the origin. Key cities are expected to have bottomed out and market transactions will gradually improve.



### Property sales performance

The Company actively drove property sales. As of 30 June 2022, the contracted sales amount of heavy assets of the Company was approximately RMB14.04 billion, and the contracted GFA of heavy assets was approximately 1.9149 million sq.m., a period-on-period decrease of 54.8% and 52.7% respectively. In terms of the contracted sales amount, the market share of the Company as of 30 June 2022 in Henan Province was 4.0%.

City	Contracted sales amount (RMB million)			Contracted GFA (’000 sq.m.)		
	1H2022	1H2021	Change	1H2022	1H2021	Change
Zhengzhou	2,763	5,784	-52%	187	475	-61%
Kaifeng	252	875	-71%	29	120	-76%
Luoyang	1,483	3,643	-59%	158	356	-56%
Pingdingshan	330	384	-14%	53	46	15%
Anyang	682	2,384	-71%	101	432	-77%
Hebi	434	769	-44%	72	124	-42%
Xinxiang	912	1,442	-37%	142	263	-46%
Jiaozuo	382	1,375	-72%	66	197	-66%
Puyang	796	1,434	-44%	117	250	-53%
Xuchang	622	1,147	-46%	119	168	-29%
Luohe	319	1,195	-73%	57	165	-65%
Sanmenxia	116	307	-62%	24	59	-59%
Shangqiu	1,876	2,805	-33%	310	373	-17%
Zhoukou	937	2,162	-57%	155	319	-51%
Zhumadian	682	2,166	-69%	116	315	-63%
Nanyang	515	700	-26%	75	101	-26%
Xinyang	518	1,598	-68%	86	222	-61%
Jiyuan	242	442	-45%	27	45	-40%
Hainan	179	441	-59%	21	22	-5%
<b>Total</b>	<b>14,040</b>	<b>31,053</b>	<b>-55%</b>	<b>1,915</b>	<b>4,052</b>	<b>-53%</b>

### *Newly commenced property projects*

During the reporting period, the Company commenced the construction of 12 projects in total with newly commenced GFA of 988,000 sq.m., representing a decrease of 70% compared with that of the corresponding period of last year. The Company adhered to determining the sales-based production to ensure the match among supply, sales and inventory. It managed project commencements based on the geographical distribution of customers and estimated sales, which enabled the Group to further enhance the competitiveness and market performance of its products, and maintain a safe and reasonable inventory structure.

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>Newly commenced GFA for the 1H (sq.m.)</b>
Zhengzhou	Junlin Grand Courtyard Bamboo Court	Residential	197,245
Anyang	Anyang Jianye City Phase IV Wonderland Zone 1, Zone 2	Residential	150,261
Hebi	Hebi Longmen No.7 Courtyard	Residential	51,297
Xinxiang	Hui County Gongcheng Dongwang	Residential	28,409
Xinxiang	Xinxiang Jianye Mansion	Residential	24,932
Xinxiang	Xinxiang Dongjing Mansion	Residential	120,939
Shangqiu	Art Mansion	Residential	67,444
Shangqiu	Binhe Art Mansion	Residential & Commercial	138,339
Zhoukou	Taikang Jianye Mansion	Residential	5,532
Zhumadian	Xiping Spring Time Phase II	Residential	5,231
Zhumadian	Chinoiserie Palace Phase III	Residential	137,842
Hainan	Zhonghe Jiayuan Phase II	Residential	60,270
	<b>Total</b>		<b>987,741</b>

*Property projects under development*

As of 30 June 2022, the Company had 192 projects under development with a total GFA of approximately 31,438,000 sq.m., including 24, 165 and 3 projects under development in Zhengzhou, other cities in Henan Province and Hainan Province respectively.

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Zhengzhou	Dengfeng Songyue Mansion	Residential	194,554
Zhengzhou	Gongyi CCRE Mall	Residential	37,775
Zhengzhou	Gongyi Spring Time	Residential	231,872
Zhengzhou	Gongyi Chinoiserie Palace	Residential	160,870
Zhengzhou	Zhengzhou Financial Island	Commercial	838,863
Zhengzhou	Zhengzhou CCRE Tihome International City	Residential	1,204,319
Zhengzhou	Xinmi Spring Time	Residential	74,639
Zhengzhou	Xinmi Code One City	Residential	81,159
Zhengzhou	Xinzheng Blue Ocean Zhengfeng	Residential	176,441
Zhengzhou	Xinzheng Tianhui City	Residential	152,455
Zhengzhou	Xingyang Central Garden	Residential	178,264
Zhengzhou	Zhengxi U-Town	Residential	149,415
Zhengzhou	Zhengzhou J18	Commercial	594,289
Zhengzhou	Zhengzhou Chengyuan	Residential	227,175
Zhengzhou	Zhengzhou Spring Time	Residential	52,185
Zhengzhou	Zhengzhou Riverside Mansion	Residential	252,495
Zhengzhou	Zhengzhou Huayuankou resettlement area (Huihua New City)	Residential	293,154
Zhengzhou	Zhengzhou Blossom Garden	Residential	576,190
Zhengzhou	Zhengzhou Junlin Grand Courtyard	Residential	560,979
Zhengzhou	Zhengzhou Intelligent Square	Commercial	230,205
Zhengzhou	Zhengzhou Intelligent Palace	Residential	15,238
Zhengzhou	Zhengzhou Royal Mansion	Residential	221,557
Zhengzhou	Zhengzhou Art Mansion	Residential	352,303
Zhengzhou	Zhengzhou Wonderland (Harbour Zone No.123)	Residential	134,829

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Kaifeng	Lankao CCRE Mall	Residential	99,109
Kaifeng	Lankao Red World	Commercial	135,312
Kaifeng	Tongxu Jianye City	Residential	113,712
Kaifeng	Tongxu Code One City	Residential	246,897
Kaifeng	Kaifeng Taihe Mansion	Residential	67,896
Luoyang	Luanchuan Luanzhou Palace	Residential	92,846
Luoyang	Luoyang Binhelong House	Residential	237,424
Luoyang	Luoyang Dachengxiaoyuan	Residential	146,814
Luoyang	Luoyang Dingding Palace	Residential	669,467
Luoyang	Luoyang Code Two City	Residential	244,474
Luoyang	Luoyang Fengdu	Residential	154,414
Luoyang	Luoyang Technology City	Residential	62,262
Luoyang	Luoyang Longcheng Dongwang	Residential	102,549
Luoyang	Luoyang Zhongzhou Mansion	Residential	124,279
Luoyang	Luoyang Honour Mansion	Residential	112,199
Luoyang	Yichuan Dragon Mansion	Residential	238,594
Luoyang	Luoyang Zhonghong City	Residential	319,208
Luoyang	Luoyang Longshang Court	Residential	26,637
Pingdingshan	Pingdingshan Spring Time	Residential	240,502
Pingdingshan	Pingdingshan Guangming Mansion	Residential	138,374
Pingdingshan	Pingdingshan Eighteen Cities	Residential	64,518
Pingdingshan	Pingdingshan Honour Mansion	Residential	105,813
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden	Residential	42,250
Pingdingshan	Wugang CCRE Mall	Residential	29,496
Pingdingshan	Wugang Forest Peninsula	Residential	193,423

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Anyang	Anyang Phoenix City North Bank	Residential	257,353
Anyang	Anyang Sweet-Scented Osmanthus Garden	Residential	133,332
Anyang	Anyang Jianye City	Residential	509,605
Anyang	Anyang Junlin Grand Courtyard	Residential	77,830
Anyang	Anyang Chinoiserie Palace North Garden	Residential	303,541
Anyang	Anyang Sky Mansion	Residential	71,078
Anyang	Anyang Tonghe Palace	Residential	208,728
Anyang	Anyang Code One City	Residential	39,042
Anyang	Linzhou Jianye City	Residential	178,176
Anyang	Huaxian Honour Mansion	Residential	78,313
Anyang	Tangyin Central Garden	Residential	143,968
Hebi	Hebi Chinoiserie Palace	Residential	224,546
Hebi	Hebi Code One City	Residential	92,187
Hebi	Hebi Zhenyuehui	Residential	770
Hebi	Hebi Longmen No.7 Courtyard	Residential	201,303
Hebi	Hebi Flower Creek Town	Residential	137,118
Hebi	Qi County Jianye City	Residential	139,140
Hebi	Hebi Taihe Mansion	Residential	121,229
Xinxiang	Beverly Manor	Residential	94,190
Xinxiang	Fengqiu Central Garden	Residential	89,278
Xinxiang	Hui County Gongcheng Dongwang	Residential	303,765
Xinxiang	Hui County Code One City	Residential	187,800
Xinxiang	Weihui Spring Time	Residential	206,449
Xinxiang	Xinxiang Blossom Garden	Residential	108,774
Xinxiang	Xinxiang Chinoiserie Palace	Residential	535,757
Xinxiang	Changyuan Forest Peninsula Courtyard	Residential	40,026
Xinxiang	Xinxiang Jianye Mansion	Residential	202,020
Xinxiang	Xinxiang Honour Mansion	Residential & Commercial	54,577
Xinxiang	Xinxiang Dongjing Mansion	Residential	120,939

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Jiaozuo	Bo'ai Spring Time	Residential	191,517
Jiaozuo	Jiaozuo Spring Time	Residential	37,075
Jiaozuo	Jiaozuo Chinoiserie Palace	Residential	59,778
Jiaozuo	Jiaozuo Jianye Mansion	Residential	136,618
Jiaozuo	Mengzhou Jianye Mansion	Residential	110,791
Jiaozuo	Wuzhi Majestic Mansion	Residential	177,787
Jiaozuo	Wuzhi Star Mall	Residential	120,481
Jiaozuo	Jiaozuo Shuxiang Yard	Residential	110,000
Puyang	Puyang Jianye New City	Residential	13,013
Puyang	Puyang Longcheng	Residential	365,455
Puyang	Puyang Puyuan	Residential	149,180
Puyang	Puyang Chinoiserie Palace	Residential	237,571
Puyang	Puyang Tonghe House	Residential	40,328
Puyang	Puyang Code One City	Residential	141,559
Puyang	Puyang Zhenyuehui	Residential	62,572
Puyang	Taiqian Jianrun House	Residential	159,556
Puyang	Puyang Sky Mansion	Residential	222,281
Xuchang	Xiangcheng CCRE Mall	Residential	247,000
Xuchang	Xuchang Pleasure Garden	Residential	225,670
Xuchang	Xuchang Zhenyuehui	Residential	73,447
Xuchang	Yanling Eco-City	Residential	132,885
Xuchang	Yuzhou Spring Time	Residential	97,986
Xuchang	Yuzhou Dachengxiaoyuan	Residential	58,140
Xuchang	Changge Sweet-Scented Osmanthus Garden New City	Residential	77,178
Xuchang	Changge Forest Eco-City	Residential	26,215

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Luohe	Linying Forest Peninsula	Residential	147,622
Luohe	Luohe Danjiang House	Residential	80,081
Luohe	Luohe Sweet-Scented Osmanthus Garden	Residential	144,533
Luohe	Luohe Blossom Garden	Residential	223,468
Luohe	Luohe Xicheng Forest Peninsula	Residential	207,954
Luohe	Luohe Longhushuxiang Mansion	Residential	260,995
Luohe	Luohe Art Mansion	Residential	229,101
Luohe	Luohe Ideal City	Residential	134,846
Sanmenxia	Sanmenxia New District Forest Peninsula	Residential	78,748
Sanmenxia	Sanmenxia Honour Mansion	Residential	70,564
Sanmenxia	Yima Chinoiserie Palace	Residential	213,509
Shangqiu	Minquan Happy Place	Residential	43,377
Shangqiu	Shangqiu Chengyuan	Residential	64,460
Shangqiu	Shangqiu Central Garden	Residential	3,255
Shangqiu	Shangqiu Eighteen Cities	Residential	51,332
Shangqiu	Shangqiu Future City	Residential	115,515
Shangqiu	Shangqiu Art Mansion	Residential	300,673
Shangqiu	Sui County Shangheyuan	Residential	108,649
Shangqiu	Xiayi Jianye City	Residential	183,254
Shangqiu	Yucheng Hill Water Lake City	Residential	338,693
Shangqiu	Zhecheng Lianmeng Dongwang	Residential	83,747
Shangqiu	Shangqiu Chinoiserie Palace	Residential	147,377
Shangqiu	Minquan Long Palace	Residential	148,434
Shangqiu	Shangqiu Jiangshan House	Residential	102,954
Shangqiu	Shangqiu Shangheyuan	Residential	70,982
Shangqiu	Shangqiu Jianye Country Garden – Yuelong Mansion	Residential	282,574
Shangqiu	Shangqiu Binhe Art Mansion Shangjun	Residential	138,339

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Zhoukou	Fugou Jianye New City	Residential	34,789
Zhoukou	Huaiyang CCRE Mall	Residential	58,159
Zhoukou	Luyi Jianye City	Residential	98,143
Zhoukou	Luyi Mingdao City	Residential	7,234
Zhoukou	Shangshui Yangcheng Courtyard	Residential	15,311
Zhoukou	Taikang Eco-City	Residential	59,465
Zhoukou	Taikang Happy Place	Residential	130,194
Zhoukou	Xihua Central Garden	Residential	15,206
Zhoukou	Xihua Jicheng Courtyard	Residential	30,103
Zhoukou	Xiangcheng Jianye City	Residential	30,298
Zhoukou	Huaiyang Binhe Courtyard	Residential	299,027
Zhoukou	Zhoukou Jianye City	Residential	369,747
Zhoukou	Zhoukou Hill Water Lake City	Residential	307,303
Zhoukou	Zhoukou Chinoiserie Palace	Residential	327,113
Zhoukou	Zhoukou Shiyue Mansion	Residential	35,319
Zhoukou	Fugou Jianye New City	Residential	140,524
Zhoukou	Sweet-Scented Osmanthus Garden New City	Residential	39,317
Zhoukou	Zhoukou Canal Ancient Town	Commercial	24,523
Zhoukou	Zhoukou Canal Yard	Residential & Commercial	79,342
Zhoukou	Zhoukou Guandi Temple	Residential & Commercial	14,896
Zhoukou	Taikang Jianye Mansion	Residential	163,210



<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Zhumadian	Pingyu Central Garden	Residential	122,145
Zhumadian	Suiping Jianye City	Residential	144,893
Zhumadian	Suiping Forest Peninsula	Residential	40,386
Zhumadian	Xiping Spring Time	Residential	5,232
Zhumadian	Xincai CCRE Mall	Residential	30,169
Zhumadian	Xincai Sweet-Scented Osmanthus Garden	Residential	60,148
Zhumadian	Zhengyang Jianye City	Residential	20,379
Zhumadian	Zhumadian Binhelong Palace	Residential	139,231
Zhumadian	Zhumadian Spring Time	Residential	445,361
Zhumadian	Zhumadian Chinoiserie Palace	Residential	601,382
Zhumadian	Zhumadian West Lake Villa	Residential	34,312
Zhumadian	Zhumadian Honour Mansion	Residential	151,330
Zhumadian	Shangcai Jianye Mansion	Residential	111,003
Zhumadian	Zhumadian Boshan House	Residential	131,407
Zhumadian	Suiping Jianye Mansion	Residential	162,998
Zhumadian	Pingyu Jiangshan House	Residential & Commercial	96,232

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Nanyang	Nanyang Central Garden	Residential	42,233
Nanyang	Nanyang Longyue City	Residential	656,741
Nanyang	Nanyang Art Mansion	Residential	101,098
Nanyang	Xixia Central Garden	Residential	13,738
Nanyang	Dengzhou Qingyunli	Residential & Commercial	124,448
Nanyang	Nanyang Shilihushan	Residential & Commercial	54,562
Xinyang	Gushi Future City	Residential	142,146
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden	Residential	78,150
Xinyang	Huangchuan Huangguo Palace	Residential	173,542
Xinyang	Shangcheng Jianye City	Residential	73,783
Xinyang	Xi County Jianye New City	Residential	111,825
Xinyang	Xinyang Mansion	Residential	365,110
Xinyang	Xinyang Jianye City	Residential	113,634
Xinyang	Luoshan Jianye Mansion	Residential	130,480
Xinyang	Gushi Jianye Mansion	Residential	30,448
Xinyang	Huaibin Huaihe Courtyard	Residential	130,935
Xinyang	Xinyang Sky Mansion	Residential	79,615
Xinyang	Huangchuan Dingchengfu	Residential	156,543
Jiyuan	Jiyuan Spring Time	Residential	98,014
Jiyuan	Jiyuan Blossom Garden	Residential	127,011
Jiyuan	Jiyuan Jianye City	Residential	332,548
Jiyuan	Jiyuan Code One City Majestic Mansion	Residential	64,094
Hainan	Chengmai Zhonghe Jiayuan	Residential	80,236
Hainan	Danzhou Junlin Grand Courtyard	Residential	95,372
Hainan	Dongfang Jiayuan	Residential	376,637
	<b>Total</b>		<b><u>31,438,421</u></b>

### *Property projects delivered*

As of 30 June 2022, the Company had 31 projects delivered in total, with a GFA of approximately 1,774,000 sq.m..

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA delivered (sq.m.)</b>
Luoyang	Luoyang Luanzhou Palace	Residential	39,763
Luoyang	Luoyang Dingding Palace (Phase 3)	Residential	80,911
Luoyang	Luoyang Longcheng Dongwang (Phase 2)	Residential	26,793
Luoyang	Luoyang Dachengxiaoyuan (Phase 1)	Residential	74,472
Pingdingshan	Wugang Forest Peninsula (Phase 5)	Residential	49,699
Pingdingshan	Pingdingshan Eighteen Cities (Phase 4)	Residential	51,955
Anyang	Anyang Code One City (Phase 1)	Residential	81,928
Hebi	Hebi Zhenyuehui (Phase 1)	Residential	105,062
Xinxiang	Xinxiang Chinoiserie Palace	Residential	27,869
Xinxiang	Changyuan Forest Peninsula Courtyard (Phase 1)	Residential	151,896
Jiaozuo	Jiyuan Jianye City East	Residential & Commercial	66,683
Jiaozuo	Jiaozuo Chinoiserie Palace (Phase 2)	Residential	29,923
Jiaozuo	Jiaozuo Spring Time (Phase 2)	Residential	17,313
Puyang	Puyang Jianye New City (Phase 4)	Residential	94,585
Puyang	Puyang Zhenyuehui	Commercial	7,996

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA delivered (sq.m.)</b>
Xuchang	Xuchang Chinoiserie Palace (Phase 3)	Residential	57,706
Xuchang	Xuchang Zhenyuehui (Phase 1)	Residential	82,700
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	6,963
Xuchang	Yuzhou Dachengxiaoyuan (Phase 1)	Residential	26,000
Xuchang	Xiangcheng CCRE Mall (Phase 1)	Residential	33,245
Xuchang	Yanling Eco-City (Phase 3)	Residential	23,500
Shangqiu	Shangqiu Chengyuan (Phase 1)	Residential	117,444
Shangqiu	Shangqiu Eighteen Cities (Phase 6)	Residential	102,000
Zhoukou	Fugou Jianye New City (Phase 1)	Residential	56,727
Zhumadian	Xincai Sweet-Scented Osmanthus Garden (Phase 1)	Residential	14,913
Zhumadian	Xiping Spring Time (Phase 1)	Residential	106,560
Nanyang	Nanyang Art Mansion (Phase 1)	Residential	88,000
Nanyang	Xixia Central Garden (Phase 1)	Residential	28,817
Nanyang	Nanyang Central Garden (Phase 1)	Residential	5,489
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden	Residential	37,220
Xinyang	Xinyang Jianye City (Phase 2)	Residential	<u>79,996</u>
	<b>Total</b>		<b><u><u>1,774,128</u></u></b>

## *Hotel profile*

Henan Jianye Zhizun Hotel Investment Co., Ltd. (河南建業至尊酒店管理有限公 司), a wholly-owned subsidiary of our Group, is mainly responsible for brand management, design management, engineering management, opening preparation and operation management for all hotel projects of the Group. Currently, the Group has established strategic cooperation with various well-known international hotel management groups, such as Marriott, InterContinental and Accor, under which five high-end hotel projects are in operation. The five high-end hotel projects, namely Le Méridien Zhengzhou, Pullman Kaifeng Jianye, Holiday Inn Nanyang, Four Points by Sheraton Luohe and Aloft Zhengzhou Shangjie commenced operations successively between 2011 and 2015. In addition, our own brand hotels, namely Yanling Jianye The Mist Hot Spring Hotel, Zhengzhou Jianye Sky Mansion, Unique Theatre Hotel, Xuchang Shenhui Town • Jianye Starry Hills, Xinyang Jigongshan • Jianye Starry Hills and Xijian Inn (喜見客棧) opened successively between 2018 and 2021. In addition, another four hotels under our own brand, namely, Pingdingshan Jianye Triumph Hotel, Zhumadian Jianye Triumph Hotel, Yunxiu Hotel, Linqi Hotel and Wugang Jianye Starry Hotel are all under construction. Our total investment in hotels has reached RMB4.94 billion up to now, and the number of hotels invested in Henan has reached 16.

### Le Méridien Zhengzhou

Le Méridien Zhengzhou opened on 30 November 2013. It is the first international brand hotel focusing on art, design and culture in central China. Adjacent to Zhengdong New District and Zhengzhou East Railway Station, the largest railway station in Asia, and it is located at the intersection site of Zhengzhou Metro, Line 3 and Line 4, it is only a 10 minutes' and 28 minutes' drive to Zhengzhou International Convention and Exhibition Centre and Xinzheng International Airport, respectively.

Located at No. 1188, Zhongzhou Avenue, Zhengzhou City, the hotel composes a complete integrated business district with the surrounding shopping malls, restaurants and commercial office buildings. Modern art elements and local features are integrated into the design of the restaurant, guest rooms and lobby in the hotel. The unique design and brand concept distinguish the distinctive Le Méridien Zhengzhou.

The hotel has a total of 337 deluxe rooms and suites, equipped with world-class facilities and a mix of classic design and fashion elements. The feature restaurants and bars will further enrich the stay experience and provide splendid Chinese and international cuisines. The fitness center combining fitness, spa, swimming pool, yoga and jogging track, the sizeable pillarless banquet covering an area of approximately 800 sq.m., and 8 multi-function halls in the hotel, are all ideal places for relaxing and hosting events.

Address: No. 1188, Zhongzhou Avenue (northwest corner of the junction of Zhengbian Road and Zhongzhou Avenue), Zhengzhou City

Tel: 0371-55998888

#### Aloft Zhengzhou Shangjie

Aloft Zhengzhou Shangjie opened on 6 August 2011. Located on the opposite side of the District Government of Shangjie District, Zhengzhou City, Henan Province, the hotel is conveniently situated, within only 50 minutes' and one hour's drive from Zhengzhou Railway Station and Zhengzhou Xingzheng International Airport, respectively.

The 16-floor hotel has 172 stylish, fresh and fun Aloft Cheerful Rooms (樂窩客房), including 8 deluxe Cheerful Suites (樂窩套房) and 2 accessible Cheerful Rooms. Besides, equipped with the 9-foot ceiling, velvety dreaming beds, Wi-Fi Internet service, 42-inch LCD TVs, oversized shower space with rain showers, and fragrant specialty coffee, the 3,698 sq.m. cool conference room and the sizeable banquet space, countless whimsies would spark within.

Address: No. 101, Zhongxin Road, Shangjie District, Zhengzhou (opposite to the District Government of Shangjie District)

Tel: 0371-68136666

## Holiday Inn Nanyang

Holiday Inn Nanyang opened on 8 August 2012. It is located in Nanyang, the ancient capital of China, which is famous for its natural fresh air and jade culture. Holiday Inn Nanyang is the first internationally renowned five-star hotel in Nanyang. Covering an area of approximately 66,700 sq.m., the hotel has a favorable geographical location with pleasant garden landscape and a rippling lake.

The 353 guestrooms and suites are tailor-made for guests' luxury and comfort experience. The 1,000 sq.m. sizeable banquet hall offers banquet services to both local and international companies, with wireless internet accessing to all areas of the hotel, including the fitness center and the swimming pool. Whether on vacation, planning a wedding or holding a meeting, Holiday Inn Nanyang is the perfect choice for the guests.

Address: No. 2000, Xincheng Road East, Wancheng District, Nanyang City

Tel: 0377-60218888

## Four Points by Sheraton Luohe

Four Points by Sheraton Luohe opened on 29 November 2012. It is located by the west branch of Songshan Road, Yancheng District, Luohe City, adjacent to Luohe International Convention and Exhibition Centre. It is about a 10 minutes' drive to the downtown and Luohe Railway Station, and only a 90 minutes' drive to Zhengzhou Xinzheng International Airport.

The hotel has 244 warmly designed rooms, with the only international buffet restaurant in the city, namely The Eatery (宜客樂), a Chinese restaurant integrated with traditional and new Cantonese cuisine, namely Juweixuan (聚味軒), an indoor heated swimming pool, sauna equipment, a fitness centre, chess rooms and a pillarless banquet hall, which can bring guests infinite surprises of accommodation, catering and leisure.

Address: No. 6, west branch of Songshan Road, Yancheng District, Luohe City

Tel: 0395-2566999

## Pullman Kaifeng Jianye

Pullman Kaifeng Jianye opened on 1 November 2015. Embraced by the rippling surface of a lake, Pullman Kaifeng Jianye is located on the northwest side of the ancient city walls in downtown Kaifeng, within 10 minutes' drive from Kaifeng Railway Station and 50 minutes' drive from Xinzheng International Airport. The hotel covers a total GFA of 43,536 sq.m. and a site area of approximately 58,300 sq.m., with the vegetation within the city wall area having been preserved.

Pullman Kaifeng Jianye offers 186 guest rooms and is a five-star resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. The hotel is equipped with conference centre, banquet centre, all-day dining restaurant, Chinese restaurant, featured bar, lobby bar, executive lounge, gym, swimming pool, SPA, yoga room, indoor golf and other facilities to provide guests with "convenience and sense of superiority". The building is a post-modern architecture in Northern Song Dynasty style, adopting wood-like exterior finishing material to cast beautiful reflections in the blue lakes.

Address: No. 16, Longting North Road, Longting District, Kaifeng City

Tel: 0371-23589999

## Zhengzhou Jianye Sky Mansion

Zhengzhou Jianye Sky Mansion opened on 1 October 2018. It is located at the northwest corner of the intersection of Dongfeng East Road and Kangning Street in Zhengzhou City. It gathers three city centers within 3 kilometers, namely the CBD Central Business District, the new provincial government and Zhengzhou East High Speed Railway Station. The hotel covers a total GFA of 34,251.8 sq.m..

The project is featured as a high-end service apartment of CCRE with a total of 302 sets of rooms, ranging from bachelor apartments to four-bedroom apartments. The apartment is equipped with all-day dining restaurant, Japanese Izakaya, gym center, children's play room and other facilities providing guests with a safe, convenient, warm and comfortable living space.

Address: Block 9, 58 Kangning Street, Zhengzhou City

Tel: 0371-65686888



## Yanling Jianye The Mist Hot Spring Hotel

Yanling Jianye The Mist Hot Spring Hotel opened on 1 February 2018. It is located at Chenhuadian Town, Yanling County, Xuchang, Henan Province, covering an area of 50,264 sq.m..

The hotel is a joint masterpiece of Amata Luphaiboon and Twitee Vajrabhaya Teparkum who are both internationally renowned architects. The hotel offers 51 guest rooms and is equipped with all-day dining restaurant, Chinese restaurant, outdoor hot spring and pool, indoor swimming pool and pool, SPA, gym center, lobby bar, tea room, banquet hall and other facilities.

Address: North side of Huadu Avenue, Chenhuadian Town, Yanling, Xuchang City, Henan Province

Tel: 0374-7968888

## Xuchang Shenhou Town • Jianye Starry Hills

Xuchang Shenhou Town, “Capital of Jun Porcelain in China”, is one of the first batch of characteristic towns in China, and the Jun Porcelain produced during the reign of Emperor Huizong of the Northern Song Dynasty was designated as “Treasures of the Royal Court”. Xuchang Shenhou Town • Jianye Starry Hills is our first Starry Hills brand theme characteristic hotel, which opened on 1 October 2019.

Relying on the Jun Porcelain culture and historical heritage of Shenhou Town, Xuchang Shenhou Town • Jianye Starry Hills is committed to creating an immersive staying experience of Jun porcelain art. While integrating into the local area, residents have the opportunity to personally touch the developing sequence of Jun Porcelain by learning and making porcelain. In addition to 30 comfortable guest rooms, the hotel is equipped with restaurants, book bars, tea rooms and living rooms, providing customers with a comfortable space to empty their minds and have a dialogue with history.

Address: Beside Dongda Primary School, Jianshe Road, Shenhou Town, Yuzhou City, Henan Province

Tel: 0374-8616999/0374-8618999

## Xinyang Jigongshan • Jianye Starry Hills

Jigongshan Mountain, Xinyang, one of the four summer resorts in China, is located on the north-south boundary of China, and is known as “Greenness Dividing Chu (Hubei Province) and Yu (Henan Province)”. It is grand, magnificent and beautiful, making it an excellent choice for sightseeing and vacation.

Xinyang Jigongshan • Jianye Starry Hills opened on 1 July 2020. It is located at the mountainside of Jigongshan Mountain of Xinyang, adjacent to the “villa-clusters of multi countries” built from the late Qing Dynasty to the early Republic of China. The hotel has a panoramic view of the beautiful mountains, and provides a space for guests to have a rest and imagination while viewing different architectural styles and exploring history, thus interpreting the brand idea of “living next to the stars and doing what you want”.

The 89 guest rooms, together with restaurants, conference rooms, shared spaces and mahjong rooms, can meet various holiday needs of individuals, groups, parents and children, and provide experience of the comfortable life of viewing mountains, knowing mountains and enjoying mountains.

Address: Beside Zhongzheng Plaza, Jigongshan Scenic Area, Shihe District, Xinyang City, Henan Province

Tel: 0376-8658888

## Unique Theatre Hotel

Zhengzhou Jianye Unique Theatre Hotel opened on 5 June 2021. The hotel has a total of 400 cozy and tasteful guest rooms, including comfortable rooms, exquisite rooms, family rooms and suites, two full-day restaurants, one Chinese restaurant, gyms, Treasure Park and foot health centre.

The hotel is located at Zhongmu County, Zhengzhou, adjacent to Henan Drama Magic City. It takes only 10 minutes to drive from Jianye Huayi Brothers Movie Town and International Cultural and Creative Industry Park in Zhengzhou, and about 40 minutes' drive from Zhengzhou East High Speed Railway Station and Xinzheng International Airport. It is the first theme hotel in Jianye cultural tourism section. Henan Drama Magic City is the first panoramic and fully immersive drama theme park in China, which was co-developed by CCRE and director Wang Chaoge. Therefore, the customers will experience of “living in the drama” and the opportunity to get a closer look at the splendid Central China in Unique Theatre Hotel.

Address: Unique Theatre Hotel, the northeast corner of intersection of Wenxin Road and Ping'an Avenue, Zhongmu County, Zhengzhou, Henan Province

Tel: 0371-86568888

#### Xijian Inn

Xijian Inn opened on 21 September 2019. The inn is located in Taiji Street, Jianye • Huayi Brothers Film Town Park, and belongs to the “Xijian” brand operated by Jianye. “Xijian” comes from the Tang Dynasty poet Liu Yuxi's work: “Suddenly hearing the arrival of a horse, I am happy to see an old friend coming”, meaning that when guests come here, there will be a kind of joy like meeting an old friend, which is also in line with the theme of “living in a movie”. The inn is divided into four different types, namely the Jianghu style “One Night in Jianghu”, the mountain style “Qingshan Hou”, the Republic of China style “Crescent Moon House”, and the opera style “West Wing”. The area of One Night in Jianghu is 760m<sup>2</sup>; the area of Qingshan Hou is 615m<sup>2</sup>; the area of Crescent Moon House is 1,537m<sup>2</sup>; the area of the West Wing is 1,840m<sup>2</sup>, with a total construction area of 4,752m<sup>2</sup>. There are 67 guest rooms and 76 beds, which can accommodate 136 people.

During daytime, customers can eat, watch operas and visit folk customs, leaving an unforgettable movie memory; at night, customers can stay at the four themed inns and experience scene-based accommodation. The 24-hour butler service brings a unique sense of customization to customers. The superb hardware facilities provide home-like comfort.

Address: Jianye Huayi Brothers Movie Town at the intersection of Wenchuang Road and Baihua Street, Zhongmu County, Zhengzhou City, Henan Province

Tel: 0371-62168000

Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel (Under Construction)

Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel are CCRE's own brand hotels, both of which are standard hotels built by Henan Jianye Zhizun Hotel Investment Co., Ltd.. Pingdingshan Hotel is also the representative of our standard hotel construction of Jianye. There are 161 guest rooms in each of Pingdingshan and Zhumadian hotels, which are equipped with banquet halls, all-day restaurants, conference rooms, gyms and other service facilities to meet the needs of business travelers. The two hotels are expected to open in the second half of 2024.

Wugang Jianye Starry Hills Hotel (Under Construction)

Wugang Jianye Starry Hills Hotel is located at the southwest corner of Tieshan Avenue and Wenzhou Road. The main body of the hotel is integrated with Baicheng Tiandi business. It has 9 floors and 87 guest rooms. The first to second floors are the hotel lobby, and the third to ninth floors are guest rooms. It abandons the traditional monotonous hotel space and creates a stylish hotel public area and private space. After going downstairs, it is the Baicheng Tiandi Commercial Street, which meets the needs of hotel guests for food, accommodation and transportation. The hotel is expected to open in November 2023.

### Linqi Hotel (Under Construction)

Zhengzhou Jianye Linqi Hotel is located beside Zhengzhou Navigation Stadium, adjacent to the super high-rise Jianye headquarters office building and Jianye Exhibition Hall under construction. The hotel is designed by Amata Luphaiboon, a well-known architect and designer of Six Senses Samui on Samui Island. The hotel draws inspiration from nature, integrates the concepts of trees and forest shade into architectural design, and advocates that residents living in it enjoy relaxation through the senses like perching in the forest, feel the process of life growth and rest, and experience the inner nature.

The main body of the hotel is an ultra-modern low density building with 5 floors above the ground, with 177 guest rooms, equipped with full-time restaurants, lobby bars, outdoor bars, conference rooms, gyms, swimming pools, etc. The hotel is committed to interpreting the aesthetic impression and living experience of Henan with the world-class design and pure courtesy of Central China. The hotel is expected to open in July 2027.

### Yunxiu Hotel (Under Construction)

Zhengzhou Jianye Yunxiu Hotel is located in Zhengzhou International Cultural and Creative Industry Park. Designed by Oki Sato, founder of Nendo, it is the world premiere hotel work of Nendo.

Nendo draws inspiration from Henan's characteristic geographical and cultural elements, such as caves and Longmen Grottoes. With the help of stacks, shadows, hollows and layers of caves, Nendo develops architectural textures in various areas of the hotel, which makes the hotel full of sense of sculpture, sense of light and shadow and three dimension effect. When guests live in it, they will be accompanied by wind, light and fog, so they can feel the rich gifts of nature and start a rare journey of art design.

The hotel has 231 guest rooms, which are equipped with Xiu cafe, Qingfeng Chinese Restaurant, Xiuju Japanese Restaurant, Ciao Bella Italian Restaurant, Sky Terrace Hotel, Yunshang Swimming Fitness Center and other sound facilities. It is a luxury art design hotel integrating business conference, food & beverage, accommodation, leisure and entertainment. The hotel is expected to open in December 2024.

### **3. Cultural tourism**

Cultural tourism sector of the Group is engaged in development and operation of property projects for cultural tourism principally located in historic in Henan Province, such as Zhengzhou, Kaifeng and Luoyang. With rich history, culture and natural resources, it tells the “Jianye story of cultural tourism” in different styles, forms and substance through theme park, tourist district and real scenery performance. As of 30 June 2022, the Company had the following projects for cultural tourism, namely Jianye Huayi Brothers Movie Town, Unique Henan Land of Dramas (只有河南·戲劇幻城) and Qishengjiao in Kaifeng.

With the good performance of the cultural tourism sector in recent years, the Company has attracted enormous attention in China’s cultural tourism industry and gained industrial influence greatly. In 2021, the Company was awarded the “Top 20 China Tourism Groups 2021” in the China Tourism Group Development Forum, ranking first in the national tourism industry again, the only one in Henan Province and the second time after 2020. Henan Central China Culture Tourism Real Estate Development Co., Ltd., a subsidiary of the Company, won the “Most Potentious Tourism Property Developer Award” and other honors in China Entertainment Technology and the 12th Theme Park and Attractions Summit. The Company’s Unique Henan Land of Dramas project was selected as the “2021 Cultural Tourism Integration Innovation Project”.

Jianye Huayi Brothers Movie Town project is located in International Cultural and Creative Industry Park in Zhengzhou with a total land use scale of approximately 600 Chinese-mu. In the form of film sets and with an essence of historical culture and memory of the city, the project provides an experiential site for experiencing film culture incorporating tour of film sets, exhibition of film culture, film interactive games, folk and intangible cultural heritage experience, a series of large-scale performance, unique cuisine and themed inns.

The first two blocks of the project covering an area of 163.2 Chinese-mu was grandly premiered on 21 September 2019 and put into operation, receiving an enthusiastic market response. The project has become the most famous site for taking photos in Central China. Successively mentioned in special reports of national media like People’s Daily, Xinhua News Agency, China Central Television, Xuexi Qiangguo (xuexi.cn), the project has received favorable comments from all walks of life. In 2020, it was rated as an AAAA National Tourist Attraction. As of 30 June 2022, a total of 5.23 million tourists were received.

Unique Henan Land of Dramas is a large-scale acting and performance project co-developed with Wang Chaoge (王潮歌), a famous director of real scenery performance. With 21 theatres, the project boasts the largest theater cluster in China. The project is located in International Cultural and Creative Industrial Park in Zhengzhou with a total site area of approximately 622 Chinese-mu and is also one of the Type-A Key Construction Projects in Henan Province. Inspired by the long-standing and rich history and culture of Henan with innovated forms of performance, the project aims to reveal the rich Central China culture and the glorious Chinese culture through the combination of several dramas with outdoor scenes as well as functional spaces by making use of its unique architectural space, helping people understand the history and culture in multi-sensory approach. The project is of great significance for highlighting the characteristics, reshaping the style, manifesting the spirit and contributing to cultural confidence of Henan. In its 21 theaters of the project, more than 30 plays have been presented by nearly 1,000 performers. The theaters in the park have a total capacity of 10,000 people, including three main theaters, which have a capacity of nearly 5,000 people. The total duration of a single show of all plays is nearly 700 minutes and the total number of performances in a single day during the peak season is nearly 200, with a total duration of nearly 5,000 minutes.

After four years of construction, Unique Henan Land of Dramas held a grand opening ceremony on 5 June 2021, the day of Chinese lunar Grain in Ear. This attracted attention nationwide. More than 2,000 entrepreneurs, cultural celebrities, partners of CCRE and media guests from all over the country witnessed the premiere. As of 30 June 2022, it has received more than 700,000 audiences, nearly 3.5 million viewers.

Located at the Longting District, Kaifeng City (used to be an Ancient Capital of Eight Dynasties), Henan Province, Kaifeng Qishengjiao project is a culture, tourism and leisure street which imitates the style of Song Dynasty, featuring shopping, unique cuisine, guest houses, entertainment, leisure, and cultural experience. With rich tourism resources nearby, the project enjoys obvious advantages. Adjacent to the 2-km-long Yuhe River constructed with our investment, the project has highlighted the characteristics of a northern waterside city and has successfully connected tourism resources. Since its opening in 2014, Qishengjiao has attracted attention from all walks of life, becoming a new spot popular with tourists. The project is facing adjustment and exploration to keep with the increasingly mature tourist market. The project is currently speeding up to upgrade. In October 2020, the project completed the rejuvenation and upgrading. Through the collection of 17 designer concept stores, the original Baogong culture IP, the container Internet-famous site, the rail steam train, the ice and snow world theme park and other highlights, as well as the new building light show, graffiti show and other light cultural travel performing arts products, it realised the combination of youth, trend and classicality, and created a new image of the commercial street combining “art + trend + culture + architecture + space + creativity + aesthetics”.

#### **4. *Green House***

CCRE’s green houses are main body of the establishment and operation of CCRE’s modern agricultural projects. As at the end of the reporting period, the Company had four green houses completed and in operation, namely Yanling Jianye Green House, Hebi Jianye Green House, Yichuan Jianye Green House and Zhoukou Jianye Green House; one green house was under-development, namely Nanyang Jianye Green House.

##### *Yanling Jianye Green House*

Yanling Jianye Green House is located in Yanling County, Xuchang City, less than 100 km from Zhengzhou City, with a site area of over 5,000 Chinese-mu. The project is equipped with intelligent gutter-connected greenhouse, multi-functional exhibition hall, technology research center and culture room for cut flowers as well as 3,000 Chinese-mu eco-tree seedlings, endeavouring to build a modern agricultural countryside complex zone concerning six highlights of “efficient agriculture, agritourism, cultural creativity agriculture, demonstration and experience agriculture, science popularisation agriculture, and healthcare and wellbeing improvement agriculture”.



In the first half of 2022, the Squirrel Land project of Yanling Jianye Green House has launched. In the first half of the year, more than 200,000 visitors were received, including provincial and municipal leaders, domestic and foreign experts, scholars, construction owners, members of the “Jianye Junlin Club”, and tourists from within and outside the province.

In recent years, Yanling Jianye Green House has been awarded the National 4A Grade Tourist Attractions and the “2019-2021 Provincial Key Leading Enterprise of Agricultural Industrialisation”; in the first half of 2021, the cucumber variety “Jianye No. 1” independently developed by Yanling Jianye Green House was awarded the registration certificate of “Non-major Crop Species” by the Ministry of Agriculture and Rural Affairs, and the plaque of “Natural Ecological Plate” by Xuchang Education Bureau; it participated in the “Facility Flower and Tree Industry Technology Innovation Strategic Alliance in Henan Province” by Henan Provincial Department of Science and Technology; and the Magnolia Tent Campground was awarded the “Recommended Campground in Henan Province”.

#### *Hebi Jianye Green House*

Hebi Jianye Green House is located at the urban-rural integration demonstration zone in Hebi City with a total site area of approximately 4,450 Chinese-mu. It is a countryside complex zone covering modern agriculture, leisure and tourism, and rural community. At present, Hebi Jianye Green House is equipped with six functional areas, namely, welcome area, folk culture experience area, efficient agriculture tourist area, farming culture experience area, waterside ecological sightseeing area, and farming, forestry and breed demonstration area, of which, 60,000 sq.m. of 13 intelligent gutter-connected greenhouses, 20,000 sq.m. of Qishui Biyu Lake, colourful flower field and wedding lawn, 150 Chinese-mu of eastern flower area, as well as 4,000 Chinese-mu of ecological conservancy belt and picking garden have been open to the public. Hebi Jianye Foodcourt has also been put into use. The project also cooperated with Chenzhai Flower Group, a China “Top 3 Enterprises” in the floral industry and introduced professional service team of Chenzhai Flower Group, with a view to building a flower trading center in North Henan Province.

In the first half of 2022, Hebi Jianye Green House introduced the off-road kart project and welcomed more than 300,000 visitors, including government leaders, leaders of the Group, Jianye property owners, social organisations and students. In the first half of the year, Hebi Jianye Green House was selected into the “2022 5G Project Library of Henan Province” and “Key Project Library of Henan Province’s Digital Transformation” by the Henan Provincial Department of Industry and Information Technology; and was successively rated as the “Hebi Municipal Government and the Hebi Urban-Rural Integration Demonstration Zone. “Advanced Unit for Building Harmonious Labor Relations in Hebi City”, “Advanced Unit for Employment Absorption in Hebi City”, “Urban-Rural Integration Demonstration Zone Party Construction Advanced Unit in Hebi City” and other honorary titles, and won the “Urban-Rural Integration Demonstration Zone for Open Development Contribution Award in Hebi City”.

### *Yichuan Jianye Green House*

Yichuan Jianye Green House is located at North of Zhangyao Village, Jiangzuo Town, Yichuan County, Luoyang City, with approximately 6,725 Chinese-mu and total investment amount of approximately RMB2 billion. The overall positioning strategy of the project is a countryside complex concerning six highlights of “modern agriculture, ecological leisure, cultural creativity, experience center, science popularisation and healthcare”, with maintaining sustainable development for protecting ecological environment as its basis and with development strategy focusing on “agricultural + cultural tourism + healthy”, and with local characteristics of “demonstration zone of modern agricultural complex + ecological culture protection + picturesque village + Jianye foodcourt”.

By the end of the reporting period, the construction of phase I of the modern agricultural demonstration zone had been completed, which was equipped with a number of high-specification agricultural facilities such as 11,000 sq.m. of high-standard intelligent greenhouses, plant factories, cave dwellings for fungus growing, 16.3km-long park roads, 200 Chinese-mu dropper fields, 70,000 sq.m. overflow dam for irrigation and water storage, etc.. In addition, a number of leisure and entertainment facilities had been completed and put into use, including Yaji Lakeside Restaurant, Cave Dwelling Experience Residence, Forest Valley Natural Restaurant & Bar, Meng Chong Paradise, Children’s Playground, Fruit and Vegetable Picking Experience Garden, Forest Leisure Area, Xingkongli-Caravans Camp, Guanshanxu-Weijing Restaurant, Pastoral Hot Pot Restaurant as well as Research and Learning Space.

In the first half of 2022, Yichuan Jianye Green House launched investment formats such as physical fitness park, glass water slide, UTV all-terrain off-road vehicle, and small store in the starry sky, and held more than a dozen operation activities such as “Live up to the Springtime, Pick up the Fun” spring events, city romance program, wild growth summer camp, graduation travel season package, etc., and received more than 120,000 visitors in total. In the first half of the year, Yichuan Jianye Green House was awarded “Henan University of Science and Technology Outstanding Agriculture and Forestry Talent Education Base” and “Yichuan County Study Tour Demonstration Site”; and Xingkongli-Caravans Camp was selected as “Recommended List of Campgrounds in Henan Province”.

### *Zhoukou Jianye Green House*

Zhoukou Jianye Green House is located on the banks of the old canal in the urban-rural integration demonstration zone in Xuwan Village, Xuwan Township, Zhoukou City with a site area of more than 6,000 Chinese-mu and a planned total investment of RMB3 billion. The project covers modern ecoagriculture, old canal reconstruction and urban wetland restoration, leisure experience, cultural tourism, health and elderly care, etc. and integrates high-end flower, fruit and vegetable production, fine seedling and flower cultivation, culture mining of old canal six centuries-old shipping ferry, experience of special diet in Central Plains, urban wetland and riverside landscape belt along the old canal, folk wedding celebration photography base, etc. with a view to forming an urban countryside complex with an international leading and domestic first-class modern agricultural industry chain integrating “research and development, production, demonstration and experience”. Relying on the construction of the timehonored old canal, the House aims at resuming the prosperity of the old canal as the artery of water transport in the Ming and Qing Dynasties, so that tourists can experience the profound history and culture of the ancient Zhoukou there, reminding their memories for the canal, filling the market gaps in tourism, vacation and recreation in Zhoukou and meeting the recreational tourism demands of residents during weekends and nighttime.

Projects completed and put into operation as at the end of the reporting period: 1) the office and accommodation area of 6,000 sq.m.; 2) the intelligent gutter-connected greenhouse of 36,000 sq.m.; 3) the core landscape demonstration area of 200,000 sq.m.; 4) the Tongle Valley Parent Child Paradise of 20,000 sq.m.; 5) the experience agriculture demonstration park of 60 Chinese-mu; 6) Jianye foodcourt of 5,200 sq.m.; 7) modern and technical agriculture exhibition hall of 5,000 sq.m.; 8) comprehensive service center of 7,500 sq.m.; 9) Kart Club of 5,000 square meters; 10) Equestrian Club of 20,000 sq.m. and 11) planting area of seedlings, fruit trees and lawns has achieved over 3,000 Chinese-mu.

In the first half of 2022, Zhoukou Jianye Green House received more than 540,000 tourists, including nearly 1,200 provincial and municipal leaders, experts and scholars in relevant fields at home and abroad, nearly 30,000 tourism teams, and established long-term and stable cooperative relations with various sports associations, wedding associations, expansion training institutions, research and education institutions. In February 2022, Zhoukou Jianye Green House was rated as “2021 Advanced Unit of Key Construction in Zhoukou City” and selected as “Recommended List of Campgrounds in Henan Province”.

#### *Nanyang Jianye Green House*

Nanyang Jianye Green House is located at the north of Wolong District, Nanyang City, leaning on Dushan Mountain to the west and facing Yong River to the east, about 1.8 kilometers away from the direct line of Baihe River. The project is located in a superior transportation area, with Shangnan Expressway to the north, Provincial Road 234 to the west and Kongming North Road to the east. With a total area of about 4,800 Chinese-mu and a planned investment of RMB2 billion, it is the fifth idyllic complex project of our Group. The project combines the characteristic culture of Nanyang, with the China rose, mugwort and unique jade industry as the support, forming a new mode of “agriculture-travel-production” closedloop development, and is committed to creating an agricultural field complex project integrating agricultural demonstration, village revitalization, ecological leisure, suburban tourism, health and wellness, cultural entertainment, etc. After the completion of the project, it will directly and indirectly promote the employment of nearly 10,000 people, and will develop into a special agricultural industrial park in southwest Henan, a demonstration area of rural revitalization in southwest Henan, and a research and experience base of Dushan jade culture in Nanyang, and strive to build a provincial or even national-level demonstration project of idyllic complex.

The construction of the project started on 29 September 2021. The core function space in the park is scheduled to open for business on 1 October 2022 and the construction is divided into two phases.

Phase I: Activation period (2021-2022): Pulling framework, creating environment and building platform.

The project will focus on building a technology demonstration area, and will quickly start the development of the park with the images of “intelligent agriculture center, Jianye Cafeteria, Dushan jade culture study base, rural revitalization lecture hall, emerging vocational farmer training center, 5C grade RV camping site, etc.” to build the confidence of enterprises to invest. By introducing the mature IP of the Jianye, the project of “Smart Agriculture Center/Construction Industry Cafeteria” can quickly attract people. Preliminary land preparation work in the park to be completed, and the construction of roads and infrastructure around the core area to be improved.

Phase II: Mature stage (2023-2025): Excellent supporting facilities, fine living and strong services.

The project will gradually develop the medical and health zone and intelligent agriculture zone; basically settle the construction of roads and infrastructures in the park area and refine the overall spatial landscape appearance. Guihua Village and Da Chenzhuang Village Revitalization Demonstration Area will be developed. And further optimization, implantation of highly creative agricultural experience tourism projects and supporting facilities, establishment of the park’s creative image, attracting popularity, and becoming a highly well-known domestic destination for special rural tourism.

### **III. Land Reserves**

During the reporting period, the Group acquired land with a site area of approximately 266,000 sq.m. through tendering, auction and listing as well as equity cooperation. It had newly added land reserves with a GFA of approximately 886,000 sq.m.. As of 30 June 2022, the Company had land reserves with a GFA of approximately 50.37 million sq.m., including attributable GFA of approximately 36.55 million sq.m..

#### **1. Land Tendering, Auction and Listing**

On 6 April 2022, the Group acquired the land use right of a land parcel (Zhengzhengdongchu No. [2022] 1) located at the north of Zhengzhou Nongyedonglu and east of Dixiu Street, in tendering (listing) for sale process held by Zhengzhou Natural Resources and Planning Bureau (鄭州市自然資源和規劃局) for transfer of state-owned construction land use rights. Zhengzhengdongchu No. [2022] 1 land parcel has a site area of 5,030 sq.m., with a mandatory detailed planned plot ratio of 1.5.

On 13 April 2022, the Group successfully acquired the land use right of a land parcel (Yonggua 2018-53-1) located in Yongcheng City, Shangqiu City from Houling Road to the east, Zhongyuan Road to the west, Shuanghu Avenue to the south and College Road to the north in tendering (listing) for sale process held by Land Use Right Online Trading System in Henan Province for transfer of state-owned construction land use rights with RMB188.51 million. No. 2018-53-1 land parcel has a site area of 69,120 sq.m., with a mandatory detailed planned plot ratio of 1.8.

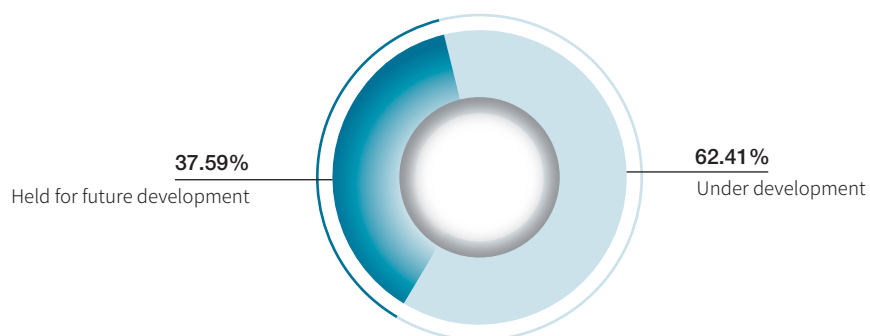
#### **2. Equity Cooperation**

As at 30 June 2022, the Group acquired three land parcels with a total site area of 192,074 sq.m. in Shangqiu City, Zhumadian City and other cities by way of equity cooperation.

### 3. *Distribution of Land Reserves*

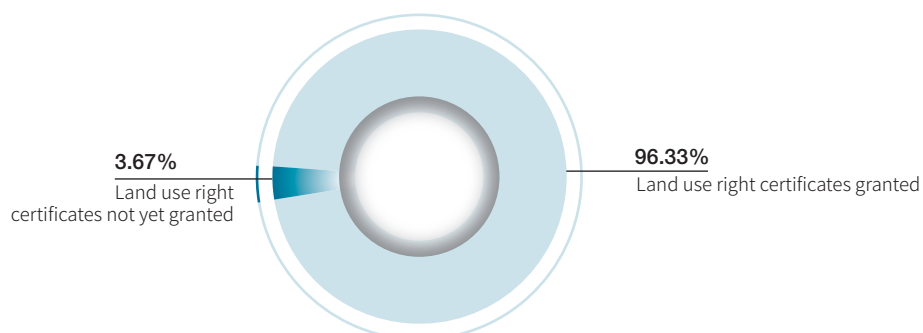
#### (1) *Distribution of the Company's land reserves by development status*

As at 30 June 2022, the distribution of the Company's land reserves by development status is set out in the table below:



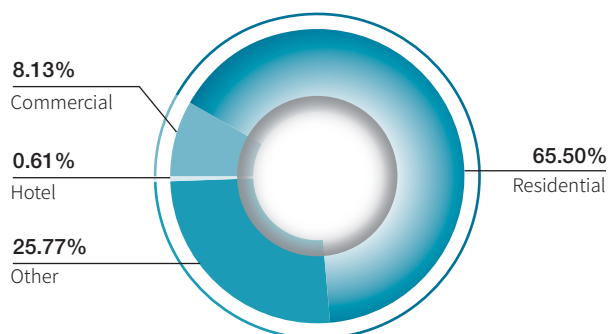
#### (2) *Distribution of the Company's land reserves by land use right certificates*

As at 30 June 2022, the distribution of the Company's land reserves by land use right certificates is set out in the table below:



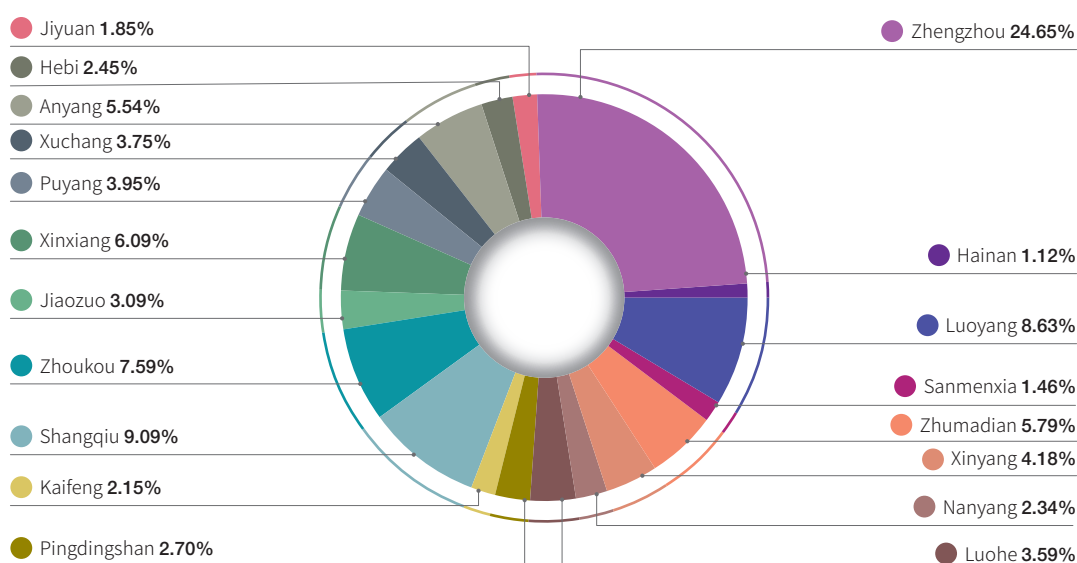
(3) *Distribution of the Company's land reserves by property types*

As at 30 June 2022, the distribution of the Company's land reserves by property types is set out in the table below:



(4) *Distribution of the Company's land reserves by cities*

As at 30 June 2022, the distribution of the Company's land reserves by cities is set out in the table below:





## **Product Research and Development**

### ***1. Product Development and Serialisation, Standardisation and Commercialisation***

The Company has always been following the corporate mission of “providing quality living standards for the people in Central China”, insisting on the developmental strategy of serialisation, standardisation and housing industrialization, and has progressively achieved large-scale commercialisation on a concrete foundation of serialization and standardisation which the Company had laid for years. The Company always regards customer experience as the core of product development and continues to optimize and upgrade its product lines. It has clearly defined the logic of “land-customer-product line”, focusing on creating a number of high-end/high-medium end product lines such as “Modern Wisdom”, “National Rituals”, “Modern Health”, “Oriental Elegance” and “Modern Chinese Style”.

The Company has for long adhered to the strategy of housing industrialization, vigorously promoted the transformation and upgrading of the industry, and implemented the development and application of housing industrialization and other technologies in projects. Based on the accumulation of product serialization, component standardization, and design modulization, the Company have been developing innovative standards and establishing a full-chain product design system. Through the promotion of product map standardization, the product will be transformed from a single project and single city design approach to regional and provincial design integration. Based on the strategy of product map, the product line will be serialized, standardized and industrialized according to the mode of the whole industry chain, and the barriers will be opened from the “positioning end, product end and production end” to realize the product upgrade of the whole industry chain.

## **2. Customized Design**

For the purpose of increasing living quality, the Company launches the Junlin Grand Courtyard product based on custom development. The core philosophy of this project is to start from customer demand, backed by apartment design, architectural style, landscape design, supporting facilities, elevator configuration, decoration style, decoration standards, kitchen and electrical parts, bathroom parts, and property services, breaking the stereotyped design model of property development, and leading housing products into the epoch of customisation and individualisation. Based on Bamboo Garden (竹苑), Plum Garden in Beilong Lake Junlin Grand Courtyard, the Company is innovating the custom models continuously, and has updated a series of product custom models, like Pine Garden in Zhengzhou Beilong Lake Junlin Grand Courtyard, Laojie Rance Junlin Grand Courtyard.

## **3. Fully Decorated House**

The research of fully decorated house relied on the strong integrated strength and years of in-depth strategic forward-looking of the Group. Through survey and analysis of local culture and customer demand, in-depth research on the living habits of Central Chinese people, the Company has achieved “localisation + modularisation + refinement” of the fully decorated house system, offering high quality residential solutions for owners, with greatest workmanship and sincerity. Currently, the Company has completed the design and implementation of some projects, like Zhengzhou Beilong Lake Junlin Grand Courtyard, Xinyang Sky Mansion and Xinxiang Xinfei Jianye Mansion.

## **4. Featured Complex**

During the reporting period, the Company had higher requirements for urban development planning. Based on Luoshen Plaza project, the Company wanted to explore new planning models, hoped that through street block-level developments, it could motivate all advantageous resources from all business segments to join in urban development, and along with urban growth, there would be a full industry chain upgrading from development, construction to operation, as well as a upgrading of roles and missions. As the orderly continuum, supplement and guarantee of block-level developments, this exploration would help the Group to transform its role as urban operator, planning for mid-long term planning strategies, aiming to erect a better living platform for owners, giving an energetic block to the city operation, equipped with traffic, education, medicare and commercial facilities, offering the owners with peaceful life and prosperous city.

## **5. Waste and Emission Reduction**

In active response to the national “carbon neutral” and “carbon peak” policies, in order to promote environment-friendly construction business and promote low-carbon living culture, the Group explores various energy-saving technologies in accordance with the current national regulations and standards, and fully improves the environmental protection and energy-saving efficiency of residential projects. Meanwhile, the Group actively promotes the housing industrialisation and the fully decorated houses development in Henan Province, researches new technologies or new measures, and improves the effectiveness of emission reduction and waste reduction.

## **CUSTOMER SERVICE AND CUSTOMER RELATIONS INTERIM REPORT**

In 2022, the thirtieth year since CCRE was founded, CCRE has further upgraded its services and developed the service system 4.0. With artificial intelligence technology as technological support and the mega service regime as the platform, the Company creates an all rounded, complete service system to provide quality living standards for the people in the Great Central China.

CCRE’s service system 4.0 aims to provide an any format, any time, one-stop, and one-on-one brand-new service experience, hence create a new form of lifestyle by collecting and combining CCRE’s 30 years of service advantages and internal and external resources. The Company sets its eyes on a city level service interface and CCRE’s community level service unit to construct the “Happiness Butler” service center with 6 major service regimes, namely targeted, interests, customization, life, technology, and neighborhood, and 13 service contents.

During the reporting period, the Group continue to carry out the innovative “Improvement and Enhancement” campaign (琢玉行動) and proceed to “polish the jades, upgrade the community (春風琢玉，社區升級)”. Through a series of “hardware polishing and service polishing” and a series of activities such as “Hardware Polishing and Upgrade Operation (琢硬件升級行動)”, “Community Co-construction Project (社區共建人計劃)”, “Spring Breeze Communion Symposium (春風融融懇談會)” and “Spring Breeze Community Hundred Family Banquet (春風社區百家宴)”, the Group has connected and strengthened the bond of the interesting, warm, and energetic neighborhood. Together we explore the beautiful lifestyle of community and create more possibilities for a happy community life. The Company has integrated multiple business segments and established a unified 400 customer service system. Through unified 400 numbers, unified background management system, unified user perception interface, unified data precipitation and centralized management and tailor-made customization services, the Company has also created the 4009617777 all-format service command platform to further improve the customers service experience; the Company has continued to promote normalization of the “No delay (客不容緩)” policy. By improving the 400 customer complaint handling process, the Company has implemented the “Weekly ranking, monthly report” mechanism is in motion, introduced measures such as material risk pull through early warning system, customer complaint risk investigation at critical time points and dedicated delivery risk monitor and control, and promoted fast response and efficient handling of customer complaints; the Company has also bettered the delivery management system. By perfecting the delivery system, pre-controlling delivery risk, setting delivery goals, and empowering the delivery business to improve delivery management, the Company has delivered a total of 11,457 properties in 31 batches during the reporting period, in which 2,106 properties in 8 batches were delivered early, winning market reputation and property owners’ recognition.

## COMMENCEMENT PLAN

In the second half of 2022, the Company plans to commence construction of 36 projects with a GFA of approximately 2,188,000 sq.m..

City	Project name	Principal use of property	GFA (sq.m.)
Zhengzhou	Chengyuan (Phase 3)	Residential	280,000
Zhengzhou	Jianye 18 (Phase 4)	Residential	218,000
Luoyang	Luoyang Dachengxiaoyuan (Phase 3)	Residential	15,670
Luoyang	Yichuan Jianye Dragon Mansion (Phase 1)	Residential	9,982
Luoyang	Luoyang Jianye Code Two City (Phase 4)	Residential	48,000
Anyang	Anyang Chinoiserie Palace North Garden	Commercial	1,739
Anyang	Anyang Jianye City Wonderland (Phase 1)	Residential	23,583
Xinxiang	Xinxiang Jianye Dongjing Mansion	Residential	87,264
Xinxiang	Xinxiang Xinfei Jianye Mansion	Residential	176,489
Jiaozuo	Jiaozuo Xinrui Mansion	Residential	152,587
Puyang	Jianye Sky Mansion (Phase 2)	Residential	185,176
Xuchang	Xuchang Zhenyuehui (Phase 2)	Residential	24,047
Xuchang	Changge Sweet-Scented Osmanthus Garden New City (Phase 2)	Residential	27,696
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	19,206
Luohe	Luohe Jianye Changjian Dream City (Phase 1)	Residential	13,194
Luohe	Luohe Jianye Longhushuxiang Mansion	Residential	8,994
Luohe	Luohe Jianye Blossom Garden	Residential	17,045
Shangqiu	Yongcheng Zhongyuan Road Project	Residential & Commercial	123,282
Shangqiu	Yongcheng Lianmeng Dongwang	Residential & Commercial	142,452

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA (sq.m.)</b>
Zhoukou	Canal Courtyard (Phase 2)	Residential	9,067
Zhoukou	Zhoukou Guandi Temple East Land Lot	Commercial	32,713
Zhoukou	Huaiyang Binhe North Courtyard (Phase 2)	Residential	85,038
Zhoukou	Zhoukou Hill Water Lake City (Phase 1)	Residential	31,266
Zhoukou	Zhoukou Chinoiserie Palace (Phase 3)	Residential	63,468
Zhumadian	Pingyu Jianye Jiangshan House	Residential	24,083
Zhumadian	Suiping Jianye Mansion	Residential	11,873
Zhumadian	Shangcai Jianye Mansion	Residential	30,000
Nanyang	Nanyang Binhelong House (Phase 1)	Residential	150,000
Nanyang	Rural Countryside Complex	Commercial	10,400
Nanyang	Xixia Laojie Ridge	Residential	54,000
Xinyang	Huangchuan Huangguo Palace (Phase 1)	Residential	8,496
Xinyang	Luoshan Jianye Mansion (Phase 1)	Residential	37,079
Xinyang	Luoshan Jianye Mansion (Phase 1)	Commercial	1,075
Xinyang	Huaihe Courtyard (Phase 1)	Residential	35,115
Xinyang	Jianye Sky Mansion	Residential	10,926
Xinyang	Huangchuan Dingcheng Mansion	Residential	18,841
	<b>Total</b>		<b><u>2,187,846</u></b>

In the second half of 2022, the Company plans to deliver 75 projects in total with a GFA of approximately 7,737,000 sq.m..

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA (sq.m.)</b>
Zhengzhou	Zhengzhou Art Mansion (Phase 1)	Residential	158,527
Zhengzhou	Gongyi Spring Time	Residential	196,222
Zhengzhou	Dengfeng Songyue Mansion (Phase 2)	Residential	137,168
Zhengzhou	Zhengzhou Chengyuan (Phase 2)	Residential	133,952
Zhengzhou	Junlin Grand Courtyard Bamboo Court	Residential	132,014
Zhengzhou	Zhengzhou Wonderland	Residential	52,015
Zhengzhou	Zhengxi U-Town (Phase 6)	Residential	146,204
Zhengzhou	Intelligent Palace (Phase 1)	Residential	220,000
Kaifeng	Lankao Red World	Commercial	7,754
Kaifeng	Tongxu Code One City (Phase 1)	Residential	78,000
Kaifeng	Tongxu Jianye City (Phase 1)	Residential	38,000
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden	Residential	81,855
Xinyang	Xinyang Jianye City (Phase 2)	Residential	37,911
Nanyang	Nanyang Longyue City (Phase 1)	Residential	315,993
Nanyang	Nanyang Central Garden (Phase 2)	Residential	42,724
Luoyang	Luoyang Dingding Palace (Phase 5)	Residential	124,844
Luoyang	Luoyang Luanzhou Palace	Residential	12,819
Luoyang	Yichuan Dragon Mansion (Phase 1)	Residential	120,999
Luoyang	Luoyang Binhelong House (Phase 1)	Residential	90,453
Luoyang	Luoyang Longcheng Dongwang (Phase 2)	Residential	81,764
Luoyang	Luoyang Dachengxiaoyuan (Phase 2)	Residential	59,581

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA (sq.m.)</b>
Pingdingshan	Wugang Forest Peninsula (Phase 5)	Residential	32,542
Pingdingshan	Pingdingshan Spring Time (Phase 2)	Residential	235,876
Pingdingshan	Jia County Jianye City (Phase 1)	Residential	107,126
Pingdingshan	Wugang CCRE Mall	Mansion	9,384
Anyang	Anyang Sweet-Scented Osmanthus	Residential & Commercial	66,011
Anyang	Tangyin Central Garden (Phase 1)	Residential	144,581
Anyang	Anyang Jianye Yunzhi City (Phase 3)	Residential	187,917
Anyang	Anyang Tonghe Palace (Phase 1)	Residential	172,976
Hebi	Hebi Chinoiserie Palace (Phase 1)	Residential	238,487
Hebi	Qi County Jianye City (Phase 1)	Residential	89,840
Hebi	Hebi Tonghe Mansion (Phase 1)	Residential	104,852
Xinxiang	Xinxiang Chinoiserie Palace	Residential	322,325
Xinxiang	Hui County Code One City	Residential	60,304
Xinxiang	Xinxiang Blossom Garden	Residential	108,873
Xinxiang	Hui County Code One City	Residential	49,180
Xinxiang	Weihui Spring Time	Residential	206,449
Xinxiang	Fengqiu Central Garden	Residential	90,141
Jiaozuo	Wuzhi Star Mall (Phase 1)	Residential	61,081
Jiaozuo	Bo'ai Spring Time (Phase 2)	Residential	48,905
Jiaozuo	Jiaozuo Chinoiserie Palace (Phase 2)	Residential	14,006



<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA (sq.m.)</b>
Puyang	Puyang Chinoiserie Palace (Phase 3)	Residential	97,953
Puyang	Puyang Puyuan (Phase 1)	Residential	103,432
Puyang	Puyang Longcheng (Phase 1)	Residential	111,830
Xuchang	Yuzhou Spring Time (Phase 1)	Residential	124,758
Xuchang	Xuchang Zhenyuehui (Phase 1)	Residential	40,600
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	19,940
Xuchang	Yuzhou Dachengxiaoyuan (Phase 1)	Residential	58,200
Luohe	Luohe Xicheng Forest Peninsula (Phase 3)	Residential	115,242
Luohe	Linying Forest Peninsula (Phase 1)	Residential	54,515
Luohe	Luohe Sweet-Scented Osmanthus Garden West District (Phase 1)	Residential & Commercial	115,897
Sanmenxia	Sanmenxia Honour Mansion (Phase 2)	Residential	62,007
Sanmenxia	Sanmenxia New District Forest Peninsula (Phase 3)	Residential	44,698
Shangqiu	Yucheng Hill Water Lake City (Phase 1)	Residential	183,449
Shangqiu	Sui County Shangheyuan (Phase 1)	Residential	106,112
Shangqiu	Shangqiu Eighteen Cities (Phase 6)	Residential	67,000
Shangqiu	Xiayi Jianye City (Phase 1)	Residential	221,415
Shangqiu	Shangqiu Future City (Phase 1)	Residential	84,168
Shangqiu	Minquan Tianming Happy Place (Phase 1)	Residential	19,479
Zhoukou	Luyi Jianye City (Phase 9 & 10)	Residential	146,471
Zhoukou	Zhoukou Chinoiserie Palace (Phase 2)	Residential	227,509
Zhoukou	Taikang Happy Place East Garden	Residential	130,193
Zhoukou	Huaiyang CCRE Mall (Phase 1)	Apartment	58,159
Zhoukou	Taikang Eco-City (Phase 1)	Residential	91,605

City	Project name	Principal use of property	GFA (sq.m.)
Zhumadian	Zhumadian Spring Time (Phase 2)	Residential	215,000
Zhumadian	Zhengyang Jianye City (Phase 2)	Residential & Commercial	77,865
Zhumadian	Xincai CCRE Mall (Phase 2)	Residential	23,094
Zhumadian	Zhumadian Binhelong Palace (Phase 1)	Residential	108,500
Zhumadian	Pingyu Central Garden (Phase 1)	Residential	121,754
Zhumadian	Zhumadian Chinoiserie Palace (Phase 1)	Residential	97,271
Zhumadian	Xincai Sweet-Scented Osmanthus Garden (Phase 2)	Residential	34,677
Zhumadian	Suiping Jianye City (Phase 1)	Residential	41,691
Jiyuan	Jiyuan Jianye City East	Residential & Commercial	17,705
Jiyuan	Jiyuan Spring Time	Residential & Commercial	73,794
Hainan	Chengmai Zhonghe Jiayuan (Phase 1)	Residential	<u>21,164</u>
	Total		<u><u>7,736,802</u></u>

## CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. For the six months ended 30 June 2022, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the “**Corporate Governance Code**”) in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) with the exception of code provision F.2.2 as addressed below.

Code provision F.2.2 – This code provision requires the chairmen of the Board (the “**Chairman**”) to invite the chairman of the audit, remuneration and nomination committees to attend the annual general meeting.

Mr. Xin Luo Lin, an independent non-executive Director and the chairman of the remuneration committee of the Company, was unable to attend the 2022 AGM due to other business engagement. Mr. Wu Po Sum, an executive Director and a member of the remuneration committee of the Company attended the 2022 AGM.

## **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**”) in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company’s securities. Having made specific enquires with each Director, the Company confirmed that all Directors had complied with the required standard as set out in the Model Code for the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **SHARE OPTION SCHEME**

During the six months ended 30 June 2022, the Company has not granted any share options pursuant to the share option scheme (the “**Scheme**”) approved by the shareholders during the extraordinary general meeting held on 19 April 2018. As of 28 March 2022 (being the date of the Company’s annual report for the year ended 31 December 2021) and 31 August 2022 (being the date of this interim results announcement), the total number of shares available for issue under the Scheme, for which the underlying share options have been approved by the shareholders but are yet to be granted by the Company, is 143,926,256 shares, representing approximately 4.86% and 4.72% of the issued share capital of the Company at the date of the Company’s annual report and this announcement respectively.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as the disclosed in Note 20 to this interim results announcement, there were no significant events subsequent to 30 June 2022 which would materially affect the Group's operating and financial performance as of the date of this interim results announcement.

## **REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE**

The Audit Committee of the Company has discussed with the management the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim consolidated financial statements for the six months ended 30 June 2022. The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022 presented herein has not been reviewed or audited by the auditor of the Company.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend (the “**Interim Dividend**”) for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$14.75 cents per share).

## **PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY**

This interim results announcement is published on the websites of the Company (<http://www.jianye.com.cn>) and the Stock Exchange (<http://www.hkexnews.hk>). The Company's interim report for the six months ended 30 June 2022 will be despatched to the shareholders and published on the aforesaid websites in due course.

By Order of the Board  
**Central China Real Estate Limited**  
**Wu Po Sum**  
*Chairman*

Hong Kong, 31 August 2022

*As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum is executive Director, Ms. Wu Wallis (alias Li Hua), Mr. Deng Gaoqiang and Mr. Shi Song are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.*

\* *For identification purposes only*