CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED
中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

(Stock Code: 1278)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the "**Board**") of China New Town Development Company Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**"), together with relevant comparative figures, as set out below:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023
*(Amount expressed in thousands of Renminbi ("**RMB**") unless otherwise stated)*

		Six months ended 30 June	
		2023	2022
			Restated*
	Notes	**(Unaudited)**	(Unaudited)
Operating income		**213,725**	207,652
Revenue	5	**158,042**	156,057
Other income	6	**55,683**	51,595
Operating expenses		**(137,215)**	(105,096)

	Notes	Six months ended 30 June 2023 (Unaudited)	2022 Restated* (Unaudited)
Cost of sales	7	**(19,713)**	(24,355)
Selling and administrative expenses	7	**(44,092)**	(46,365)
Finance costs	8	**(34,975)**	(21,284)
Other expenses	9	**(21,478)**	(10,944)
Impairment losses on financial assets		**(16,957)**	(2,148)
Operating profit		**76,510**	102,556
Share of losses from joint ventures and associates		**(5,289)**	(2,722)
Profit before tax		**71,221**	99,834
Income tax	10	**(12,686)**	(20,375)
Profit for the period		**58,535**	79,459
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		**6,178**	8,412
Other comprehensive income for the period, net of tax		**6,178**	8,412
Total comprehensive income for the period, net of tax		**64,713**	87,871
Profit attributable to:			
Equity holders of the parent		**52,308**	76,557
Non-controlling interests		**6,227**	2,902
		58,535	79,459

	Notes	Six months ended 30 June 2023 (Unaudited)	2022 Restated* (Unaudited)
Total comprehensive income attributable to:			
Equity holders of the parent		**58,486**	84,969
Non-controlling interests		**6,227**	2,902
		64,713	87,871
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the period	12	**0.0054**	0.0079

* The unaudited interim financial statements for the six months ended 30 June 2022 have been restated as result of that the discontinued operations cease to be classified as held for sale and to meet the disclosure requirement of adoption of amendments to IAS 12.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(Amounts expressed in thousands of RMB unless otherwise stated)

		Group	
		30 June 2023	31 December 2022 Restated*
	Notes	**(Unaudited)**	(Audited)
Assets			
Non-current assets			
Investments in joint ventures		**233,950**	238,810
Investments in associates		**175,162**	169,413
Debt instruments at amortised cost	13	**1,455,765**	715,172
Financial assets at fair value through profit or loss	14	**187,320**	162,438
Investment property	15	**1,485,700**	1,485,700
Property, plant and equipment		**8,948**	9,175
Deferred tax assets		**5,002**	712
Right-of-use assets	16	**29,057**	11,681
Other assets		**1,823**	1,981
Total non-current assets		**3,582,727**	2,795,082
Current assets			
Land development for sale	17	**780,350**	779,714
Prepayments		**1,310**	1,719
Other receivables	18	**624,129**	604,870
Trade receivables	19	**43,670**	45,526
Debt instruments at amortised cost	13	**1,334,791**	947,053
Other assets		**8,834**	9,693
Financial assets at fair value through profit or loss	14	**21,111**	895,643
Cash and bank balances	20	**1,751,648**	504,252
Total current assets		**4,565,843**	3,788,470
Total assets		**8,148,570**	6,583,552

		Group	
		30 June 2023	31 December 2022 Restated*
	Notes	**(Unaudited)**	(Audited)
Equity and liabilities			
Equity			
Equity holders of the parent:			
Share capital		**4,070,201**	4,070,201
Accumulated losses		**(567,312)**	(619,620)
Foreign currency translation reserve		**13,464**	7,286
Other reserves		**607,839**	607,839
		4,124,192	4,065,706
Non-controlling interests		**476,458**	470,231
Total equity		**4,600,650**	4,535,937
Non-current liabilities			
Interest-bearing loans and borrowings	21	**2,200,969**	738,223
Other liabilities		**6,284**	6,207
Deferred tax liabilities		**131,593**	128,515
Total non-current liabilities		**2,338,846**	872,945
Current liabilities			
Interest-bearing loans and borrowings	21	**420,259**	381,924
Trade payables	22	**110,673**	108,525
Other payables and accruals	23	**204,674**	227,986
Advance from customers		**26,485**	19,848
Current income tax liabilities		**40,326**	40,072
Contract liabilities	24	**382,839**	396,315
Financial liabilities at fair value through profit or loss	25	**23,818**	—
Total current liabilities		**1,209,074**	1,174,670
Total liabilities		**3,547,920**	2,047,615

		Group	
		30 June	31 December
		2023	2022
			Restated*
	Notes	**(Unaudited)**	(Audited)
Total equity and liabilities		**8,148,570**	6,583,552
Net current assets		**3,356,769**	2,613,800
Total assets less current liabilities		**6,939,496**	5,408,882

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2023	2022
		Restated*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	**71,221**	99,834
Adjustments for:		
Impairment losses on financial assets	**16,957**	2,148
Depreciation of property, plant and equipment	**596**	809
Depreciation of right-of-use assets	**6,164**	6,245
Interest from debt instruments at amortised cost and others	**(78,458)**	(74,119)
Net loss/(gain) on financial instruments at fair value through profit or loss	**7,142**	(41,276)
Amortisation of intangible assets	**219**	171
Gain on fair value change of investment property	**(1,456)**	(246)
Share of losses from joint ventures and associates	**5,289**	2,722
Interest income from bank deposits	**(11,466)**	(1,652)
Interest expense on lease liabilities	**277**	202
Interest expense on bank and other borrowings	**34,698**	21,082
Foreign exchange (gain)/loss	**(19,821)**	10,893
Operating profit before working capital changes	**31,362**	26,813
Increase in land development for sale	**(636)**	(733)
Decrease/(increase) in prepayments	**408**	(376)
(Increase)/decrease in other receivables and other assets	**(24,101)**	7,554
Decrease in trade receivables	**1,937**	872
Increase in advances from customers	**6,637**	6,149
Decrease in contract liabilities	**(13,476)**	(53)
Decrease in trade and other payables	**(10,689)**	(29,171)
Cash generated from operating activities	**(8,558)**	11,055
Income tax paid	**(13,645)**	(43,016)
Net cash outflow from operating activities	**(22,203)**	(31,961)

	Six months ended 30 June	
	2023	2022
		Restated*
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Purchases/construction of property, plant and equipment	**(368)**	(202)
Capital expenditure on investment property	**(7,941)**	(81,229)
Investments in debt instruments at amortised cost	**(1,601,000)**	(352,500)
Proceeds from recovery of debt instruments at amortised cost	**500,000**	52,600
Interest received from debt instruments at amortised cost	**75,156**	64,079
Investments in financial assets at fair value through profit or loss	**(25,721)**	(1,157,406)
Proceeds from redemption in financial assets at fair value through profit or loss	**878,910**	1,448,734
Interest received from bank deposits	**11,466**	1,653
Dividends received from financial assets at fair value through profit or loss	**—**	5,991
Gain from financial assets at fair value through profit or loss	**13,137**	27,274
Net cash (outflow)/inflow from investing activities	**(156,361)**	8,994
Cash flows from financing activities		
Proceeds from loans and borrowings	**1,503,957**	47,088
Repayment of loans and borrowings	**(51,000)**	(33,519)
Payment of lease liabilities	**(5,625)**	(6,409)
Interest paid	**(21,463)**	(21,013)
Net cash inflow/(outflow) from financing activities	**1,425,869**	(13,853)
Net increase/(decrease) in cash and cash equivalents	**1,247,305**	(36,820)
Effect of exchange rate changes on cash and cash equivalents	**91**	509
Cash and cash equivalents at beginning of period	**504,252**	386,003
Cash and cash equivalents at end of period	**1,751,648**	349,692

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

Six months ended 30 June 2023 (Unaudited)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total Equity
As at 31 December 2022 (audited)	4,070,201	607,839	7,286	(618,634)	4,066,692	470,231	4,536,923
Effect of adoption of amendments to IAS 12	—	—	—	(986)	(986)	—	(986)
As at 1 January 2023	4,070,201	607,839	7,286	(619,620)	4,065,706	470,231	4,535,937
Profit for the period	—	—	—	52,308	52,308	6,227	58,535
Other comprehensive income	—	—	6,178	—	6,178	—	6,178
Total comprehensive income	—	—	6,178	52,308	58,486	6,227	64,713
As at 30 June 2023	4,070,201	607,839	13,464	(567,312)	4,124,192	476,458	4,600,650

Six months ended 30 June 2022 (Restated) (Unaudited)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total Equity
As at 31 December 2021 (audited)	4,070,201	607,839	(7,664)	(621,336)	4,049,040	465,479	4,514,519
Effect of adoption of amendments to IAS 12	—	—	—	(1,002)	(1,002)	—	(1,002)
As at 1 January 2022	4,070,201	607,839	(7,664)	(622,338)	4,048,038	465,479	4,513,517
Profit for the period	—	—	—	76,557	76,557	2,902	79,459
Other comprehensive income	—	—	8,412	—	8,412	—	8,412
Total comprehensive income	—	—	8,412	76,557	84,969	2,902	87,871
As at 30 June 2022	4,070,201	607,839	748	(545,781)	4,133,007	468,381	4,601,388

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

1. CORPORATE INFORMATION

The Company was incorporated on 4 January 2006 in the British Virgin Islands (the "**BVI**"). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). On 22 October 2010, the Company was listed on the Main Board of the HKEx by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company voluntarily delisted from the SGX-ST on 17 February 2017.

The Group is a new town developer in Mainland China and has been engaged in the investment and operation of new type of urbanization and primary land development in the People's Republic of China (the "**PRC**") since 2002. Since 2014, the Group has further optimised its business model in line with the development trend of new urbanization in China. With the business model of "investment + downstream operation", on top of fixed income investment in urbanization projects, the Group introduces brands of urbanization to the region in the field of people's livelihood improvement. At the same time, it has expanded equity investment business in such new economic areas as big health industry, strategic emerging industry, infotech application innovation industry based on market demands.

The Company was a then subsidiary of SRE Group Limited ("**SRE**"), a company listed on the HKEx since September 2009. During 2012, SRE disposed of its entire holding of shares in the Company to SRE's own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer held any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited ("**SREI**"), the parent of SRE, became the largest shareholder of the Company.

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("**CDBIH**") and SREI entered into a share subscription agreement (the "**Subscription Agreement**") pursuant to which CDBIH had agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the "**Subscription**"). The Subscription was completed in the first quarter of 2014. As a result, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("**CDB Capital**"), became the largest and controlling shareholder of the Company. As an appendix of the Subscription Agreement, there was a disposal master agreement (the "**Disposal Master Agreement**") between the Company and SREI to dispose of the specified assets and liabilities not relating to the Group's principal business of planning and development of new town projects in Mainland China (the "**Disposal Assets**"). Execution of the Disposal Assets was completed in 2016.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% shares of the Company (the "**Share Transfer Agreement**") with Wuxi Communications Industry Group Co., Ltd. ("**Wuxi Communications**") and Xitong International Holdings (HK) Limited ("**Xitong International**"), a wholly-owned subsidiary of Wuxi Communications, pursuant to which, CDBIH has agreed to transfer 2,917,000,000 shares of the Company held by it (the "**Transfer Shares**") to Xitong International, which represented approximately 29.99% of the number of the issued shares of the Company (the "**Share Transfer**"). Upon the completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (29.99%) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (24.99%) of the Company as the second largest shareholder.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

(a) Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended 30 June 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement(s) with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent/Company of the Group and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRSs.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply by the Group for the first time in 2023, but do not have a material impact on the Financial Statements.

IFRS 17 and amendments to IFRS 17 — Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

Since the Group has not issued any insurance contracts, this standard is not applicable to the Group.

Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Definition of Accounting Estimates — Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022.

Impact on the interim condensed consolidated statement of financial position:

		Increase/(decrease)		
	Note	**As at 30 June 2023**	**As at 31 December 2022**	**As at 1 January 2022**
Liabilities				
Deferred tax liabilities	(i)	800	986	1,002
Total non-current liabilities		800	986	1,002
Total liabilities		800	986	1,002
Equity				
Accumulated losses		(800)	(986)	(1,002)
Equity holders of the parent		(800)	(986)	(1,002)
Total equity		(800)	(986)	(1,002)

Note (i): The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

Impact on the interim condensed consolidated statement of profit or loss:

	Increase/(decrease) For the six months ended 30 June	
	2023	**2022**
Income tax	(186)	(723)
Profit for the period	186	723
Profit attributable to:		
Equity holders of the parent	186	723
Total comprehensive income attributable to:		
Equity holders of the parent	186	723

International Tax Reform — Pillar Two Model Rules- Amendments to IAS 12

In May 2023, the IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development, and construction of ancillary public facilities;
- Urbanization development segment, which is responsible for investments in new town projects;
- Property leasing segment, which provides property leasing services of investment property; and
- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

The following tables present sales and profit information for the Group's operating segments for the six months ended 30 June 2023 and 2022, respectively:

RMB'000	**For the six months ended 30 June 2023 (Unaudited)**					
	Land development	**Urbanization development**	**Property leasing**	**Others**	**Adjustments and eliminations**	**Total**
Segment results						
External sales	**13,374**	**78,458**	**66,210**	**—**	**—**	**158,042**
Intersegment sales	**—**	**—**	**—**	**—**	**—**	**—**
Total segment sales	**13,374**	**78,458**	**66,210**	**—**	**—**	**158,042**
Segment (loss)/profit	**3,861**	**57,446**	**47,309**	**(2,420)**	**—**	**106,196**
Finance costs					**(34,975)**[1]	**(34,975)**
Profit before income tax						**71,221**

[1] Profit for each operating segment of continuing operations does not include finance costs of RMB34,975 thousand.

RMB'000	For the six months ended 30 June 2022 (Unaudited)					
	Land development	Urbanization development	Property leasing	Others	Adjustments and eliminations	Total
Segment results						
External sales	2,147	74,119	79,791	—	—	156,057
Intersegment sales	—	—	—	—	—	—
Total segment sales	2,147	74,119	79,791	—	—	156,057
Segment (loss)/profit	(35,617)	105,253	57,720	(6,238)	—	121,118
Finance costs					(21,284)[1]	(21,284)
Profit before income tax						99,834

[1] Profit for each operating segment of continuing operations does not include finance costs of RMB21,284 thousand.

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2023 and 31 December 2022, respectively:

	Land development	Urbanization development	Property leasing	Others	Adjustments and eliminations	Total
Assets						
30 June 2023 (Unaudited)	**932,143**	**4,845,109**	**1,558,834**	**807,482**	**5,002**[1]	**8,148,570**
31 December 2022 (Audited)	1,015,661	3,401,437	1,729,137	436,605	712[1]	6,583,552
Liabilities						
30 June 2023 (Unaudited)	**569,199**	**34,423**	**86,546**	**64,605**	**2,793,147**[2]	**3,547,920**
31 December 2022 (Audited)	581,562	17,545	86,211	73,563	1,288,734[2]	2,047,615

1 Assets in segments do not include deferred tax assets of RMB5,002 thousand as at 30 June 2023 as these assets are managed on a group basis.

Assets in segments do not include deferred tax assets of RMB712 thousand as at 31 December 2022 as these assets are managed on a group basis.

2 Liabilities in segments do not include current income tax liabilities of RMB40,326 thousand, interest-bearing loans and borrowings of RMB2,621,228 thousand, and deferred tax liabilities of RMB131,593 thousand as at 30 June 2023 as these liabilities are managed on a group basis.

Liabilities in segments do not include current income tax liabilities of RMB40,072 thousand, interest-bearing loans and borrowings of RMB1,120,147 thousand, and deferred tax liabilities of RMB128,515 thousand as at 31 December 2022 as these liabilities are managed on a group basis.

5. REVENUE

RMB'000	*Notes*	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Land development	(a)	**13,374**	2,147
Property management	(a)	**17,012**	18,062
Revenue from contracts with customers	(a)	**30,386**	20,209
Rental income		**49,198**	61,729
Interest from debt instruments at amortised cost	(b)	**78,458**	68,128
Others	(c)	**—**	5,991
Revenue from other sources		**127,656**	135,848
Total revenue		**158,042**	156,057

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 June 2023 (Unaudited)		
RMB'000	**Land development**	**Property leasing**	**Total**
Segments			
Type of goods or service			
Land development	**13,374**	**—**	**13,374**
Property management	**—**	**17,012**	**17,012**
Total revenue from contracts with customers	**13,374**	**17,012**	**30,386**
Timing of revenue recognition			
Services rendered over time	**13,374**	**17,012**	**30,386**

The Group's total revenue from contracts with customers is all derived from Mainland China.

RMB'000	Six months ended 30 June 2022 (Unaudited) Land development	Property leasing	Total
Segments			
Type of goods or service			
Land development	2,147	—	2,147
Property management	—	18,062	18,062
Total revenue from contracts with customers	2,147	18,062	20,209
Timing of revenue recognition			
Services rendered over time	2,147	18,062	20,209

The Group's total revenue from contracts with customers is all derived from Mainland China.

(b) The detailed information of interest from debt instruments at amortised cost is as follows:

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	**13,642**	13,648
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	**12,094**	12,094
Yangzhong Changwang Operation Area Logistics Park Construction Project	**11,919**	11,879
Yangzhou Jiangdu People's Hospital New Project	**9,352**	9,352
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**8,585**	4,010
Wuxi Guojin Commercial Factoring Fixed Income Project	**7,293**	—
Suqian Yanghe Bio-tech Industrial Park Project	**5,024**	5,024
Yancheng Sheyang Ruiyang Technology Fixed Income Project	**4,488**	—
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**1,435**	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**814**	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**94**	—
Wuxi Gaoxin District Industrial Park Project	**79**	—
Lianyungang Liandao Cultural Tourism Project	**—**	8,252
Others	**3,639**	3,869
	78,458	68,128

(c) **The detailed information of others is as follows:**

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund (the "**Urbanization Fund**")	**—**	5,991

6. OTHER INCOME

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Interest income from bank deposits	**11,466**	1,652
Net fair value gain on financial instruments at fair value through profit or loss	**—**	14,002
Investment income from financial instruments at fair value through profit or loss	**13,137**	27,274
Fair value gain on investment property	**1,456**	246
Foreign exchange gain, net	**19,821**	—
Others	**9,803**	8,421
	55,683	51,595

7. EXPENSES BY NATURE

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Cost of land development	**3,896**	8,111
Depreciation of property, plant and equipment	**596**	809
Depreciation of right-of-use assets	**6,164**	6,245
Employee benefits	**20,968**	23,319
Utility expenses	**6,081**	5,528
Advertising	**373**	460
Rental expenses	**700**	569
Property management service expenses	**11,475**	11,175
Other expenses	**13,552**	14,504
Total cost of sales, selling and administrative expenses	**63,805**	70,720

8. FINANCE COSTS

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Interest on bank and other borrowings	**34,698**	21,082
Interest on lease liabilities	**277**	202
	34,975	21,284

No borrowing cost during the first half of 2023 and the first half of 2022 was capitalised.

9. OTHER EXPENSES

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Foreign exchange loss, net	**—**	10,893
Bank charges	**35**	30
Net fair value loss on financial instruments at fair value through profit or loss	**20,279**	—
Others	**1,164**	21
	21,478	10,944

10. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Mainland China, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in the statement of profit or loss.

The major components of income tax are as follows:

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Income tax charge:		
Current income tax	**10,155**	8,614
Deferred tax	**(1,212)**	8,178
Withholding tax	**3,743**	3,583
Income tax charge as reported in profit or loss	**12,686**	20,375

11. DIVIDENDS

No dividend was paid during the Reporting Period. The Board has declared an interim dividend of HKD0.0022 per ordinary share for the Reporting Period (2022：Nil). The Company expects the interim dividend to be paid to shareholders on Wednesday, 20 September 2023 (2022: Nil).

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the Reporting Period.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

RMB'000	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**52,308**	76,557
Weighted average number of ordinary shares used to calculate the basic and diluted earnings per share	**9,726,246,417**	9,726,246,417
Basic and diluted earnings per share (RMB)	**0.0054**	0.0079

There were no transactions involving ordinary shares or potential ordinary shares during the Reporting Period.

13. DEBT INSTRUMENTS AT AMORTISED COST

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	**400,000**	400,000
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	**300,000**	300,000
Suqian Yanghe Bio-tech Industrial Park Project	**107,000**	107,000
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	**347,592**	327,608
Yangzhong Changwang Operation Area Logistics Park Construction Project	**251,000**	251,000
Yangzhou Jiangdu People's Hospital New Project	**268,821**	253,379
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**200,000**	200,000
Yancheng Sheyang Ruiyang Technology Fixed Income Project	**—**	100,000
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**150,000**	—
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**351,000**	—
Wuxi Gaoxin District Industrial Park Project	**500,000**	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**200,000**	—
Others	**90,000**	90,000
	3,165,413	2,028,987
Accrued interest	**33,128**	29,826
	3,198,541	2,058,813
Less: allowance for expected credit losses ("**ECLs**")	**(407,985)**	(396,588)
	2,790,556	1,662,225
Amounts due in the next 12 months classified as current assets	**1,334,791**	947,053
Amounts classified as non-current assets	**1,455,765**	715,172

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Funds	**2,093**	2,757
Wealth management products	**19,018**	890,691
Equity instruments	**187,320**	162,438
Derivatives	**—**	2,195
	208,431	1,058,081

15. INVESTMENT PROPERTY

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
At beginning of Reporting Period/year	**1,485,700**	1,475,487
Subsequent expenditure and cost adjustment	**(1,456)**	(2,106)
Gain from increase in fair value	**1,456**	12,319
At end of Reporting Period/year	**1,485,700**	1,485,700

16. RIGHT OF USE ASSETS

RMB'000	**Building**	**Motor vehicles**	**Land**	**Total**
As at 1 January 2022	16,219	—	1,766	17,985
Additions	5,583	657	—	6,240
Depreciation expense	(12,221)	(166)	(157)	(12,544)
As at 31 December 2022	9,581	491	1,609	11,681
Additions	23,540	—	—	23,540
Depreciation expense	(5,974)	(111)	(79)	(6,164)
As at 30 June 2023	**27,147**	**380**	**1,530**	**29,057**

17. LAND DEVELOPMENT FOR SALE

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
The Mainland China — Shenyang Lixiang New Town Modern Agriculture Co., Ltd.	**780,350**	779,714

18. OTHER RECEIVABLES

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Balances due from Wuxi Project	**20,977**	20,977
Due from SREI	**140,146**	140,146
Balances due from entities disposed of	**24,384**	24,384
Due from joint ventures	**486,124**	485,848
Due from associates	**3,779**	3,353
Others	**80,595**	56,397
	756,005	731,105
Less: allowance for ECLs	**(131,876)**	(126,235)
Other receivables, net	**624,129**	604,870

19. TRADE RECEIVABLES

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Receivables from land development for sale	**47,218**	47,218
Others	**15,416**	17,353
	62,634	64,571
Less: allowance for ECLs	**(18,964)**	(19,045)
Trade receivables, net	**43,670**	45,526

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Within 6 months	**11,774**	13,631
6 months to 1 year	**—**	—
1 year to 2 years	**—**	—
2 years to 3 years	**—**	—
Over 3 years	**31,896**	31,895
	43,670	45,526

20. CASH AND BANK BALANCES

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Cash at banks	**1,751,648**	504,252

RMB equivalent of the following currencies:

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
RMB	**1,748,999**	490,953
HKD	**1,290**	4,821
USD	**1,188**	3,822
EUR	**171**	4,656
	1,751,648	504,252

21. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Current interest-bearing loans and borrowings		
Lease liabilities	**10,517**	2,699
Bank loans — secured	**88,769**	82,900
Bank loans — unsecured	**310,505**	296,325
Guaranteed bonds	**10,468**	—
	420,259	381,924
Non-current interest-bearing loans and borrowings		
Lease liabilities	**13,830**	3,457
Bank loans — secured	**557,380**	604,380
Guaranteed bonds	**1,495,958**	—
Other borrowings from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership) ("**Tongchuang LP**")	**133,801**	130,386
	2,200,969	738,223
	2,621,228	1,120,147

The interest-bearing loans and borrowings are repayable as follows:

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Within 6 months	**349,263**	339,423
6 months to 9 months	**47,614**	41,748
9 months to 12 months	**23,382**	753
Current interest-bearing loans and borrowings	**420,259**	381,924
1 year to 2 years	**247,131**	97,457
2 years to 5 years	**1,799,958**	440,386
Over 5 years	**153,880**	200,380
Non-current interest-bearing loans and borrowings	**2,200,969**	738,223
	2,621,228	1,120,147

The Group's interest-bearing loans and borrowings bore interest at EURIBOR plus 1.95%, Sofr plus 1.95%, 4.29%, 4.05%, 4.09% and 7% per annum for the Reporting Period (31 December 2022: at EURIBOR plus 1.95%, LIBOR plus 1.95%, 4.2%, 4.44% and 7% per annum).

Bank loans — secured

As at 30 June 2023, bank borrowings of RMB646,149 thousand (31 December 2022: RMB687,280 thousand) were secured by the investment property, whose carrying amount at 30 June 2023 was RMB1.486 billion (31 December 2022: RMB1.486 billion).

Guaranteed bonds

As at 20 April 2023, CNTD Success Company Limited ("**Success**"), a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company's working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at coupon rate of 3.98% and are guaranteed by Wuxi Communications.

22. TRADE PAYABLES

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Payable for land development for sale	**110,673**	108,525

An ageing analysis of the Group's trade payables is as follows:

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Within 1 year	**3,018**	1,505
1 year to 2 years	**6,625**	5,991
Over 2 years	**101,030**	101,029
	110,673	108,525

Trade payables are non-interest-bearing.

23. OTHER PAYABLES AND ACCRUALS

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Payroll and Welfare	**2,631**	12,249
Other taxes payable	**16,415**	14,893
Amounts due to related parties	**4,427**	4,497
Payable for Intermediary and professional service charges	**5,618**	13,724
Payable for Wuxi Project	**42,250**	42,250
Dividend payables	**104**	101
Payable for investment property	**9,397**	14,486
Deposits	**38,241**	37,848
Others	**85,591**	87,938
	204,674	227,986

24. CONTRACT LIABILITIES

RMB'000	*Note*	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Contract liabilities arising from:			
Land development	(i)	**377,014**	390,388
Property management		**5,825**	5,927
		382,839	396,315

Note :

(i) As at 30 June 2023 and 31 December 2022, the contract liabilities arising from land development for sale represented the amounts received or receivable from the land authorities or local governments to fulfil the performance obligations of land development services. The amounts received or receivable are non-refundable unless the Group fails to complete the development work. The contract liabilities are classified as current liabilities as the remaining development work is expected to be provided within the normal operating cycle.

25. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

RMB'000	**30 June 2023 (Unaudited)**	31 December 2022 (Audited)
Derivatives	**23,818**	—

26. CONTINGENT LIBIALITIES

Shanghai CNTD Management Consulting Company Limited ("**Shanghai Management**") is currently a defendant in the lawsuits brought by Shanghai Hengchang Trading Co., Ltd. and Shanghai Yuanyi Industrial Co., Ltd., which were alleged for the over-received amount of RMB14,400 thousand and RMB1,000 thousand, respectively, in relation to certain consideration and payments of the Disposal Assets.

The directors of the Company (the "**Directors**"), based on the advice from the Group's legal counsel, believe that Shanghai Management have valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

27. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, financial liabilities at fair value through profit or loss and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 30 June 2023:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss *(Note 14)*	30 June 2023	**208,431**	**—**	**70,056**	**138,375**
Investment property *(Note 15)*	30 June 2023	**1,485,700**	**—**	**—**	**1,485,700**
Financial liabilities at fair value through profit or loss *(Note 25)*	30 June 2023	**23,818**	**—**	**23,818**	**—**

There were no transfers of fair value measurement between Level 1 and Level 2 during the Reporting Period.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2022:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss *(Note 14)*	31 December 2022	1,058,081	—	937,775	120,306
Investment property *(Note 15)*	31 December 2022	1,485,700	—	—	1,485,700

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2022.

28. FINANCIAL REVIEW/ABSTRACTS

a) Financial review of development of business of the Group during the Reporting Period and of its financial position at the end of the Reporting Period:

Operating Results

Revenue

Our results from operations mainly include land development, urbanization investment and property leasing. In the first half of 2023, the Group recorded revenue of RMB158 million, representing an increase of 1% as compared with the same period of 2022.

In the first half of 2023, revenue from land development increased by 523% to RMB13.374 million as compared with the same period of last year, mainly due to the completion and settlement of Shanghai Golden Luodian Development Co., Ltd. ("**SGLD**") Plot D1–3 kindergarten project, thus the land development revenue carried forward increased. In the first half of 2023, revenue related to investment property leasing of RMB49.198 million and property management fee of RMB17.012 million were recorded, which decreased by 17% as compared with the corresponding period of 2022, mainly due to the reduction of rental rates. Revenue from urbanization development increased by 15% to RMB78.458 million, which was mainly due to the increase in the balance of urbanization development as compared with the same period of last year, corresponding to an increase in revenue from investment in projects.

Other income

In the first half of 2023, other income increased by 8% as compared with the same period of 2022, which was mainly due to the increase in net foreign exchange gain of RMB19.821 million, the increase in the interest income from bank deposits of RMB9.814 million as compared with the same period of last year, the decrease in net fair value gain on financial instruments at fair value through profit or loss of RMB14.002 million for the corresponding period of last year and the decrease in investment income from financial instruments at fair value through profit or loss of RMB14.137 million as compared to that of last period.

Cost of sales, and selling and administrative expenses

In the first half of 2023, cost and expense decreased by RMB6.915 million as compared with the same period of 2022, which was mainly due to the land development cost carried forward of SGLD Plot D1–3 kindergarten project with a decrease of RMB4.125 million.

Other expenses

In the first half of 2023, other expenses increased 96% as compared with that of the same period of 2022, which was mainly due to the decrease in the net foreign exchange loss of RMB10.893 million as compared with the same period of 2022, the bank charges remained the same as compared with the same period of 2022, the increase in net fair value loss on financial instruments at fair value through profit or loss of RMB20.279 million and the increase in cost in others of RMB1.143 million as compared with the same period of 2022.

Impairment losses on financial assets

In the first half of 2023, the Group recorded impairment losses on financial assets of RMB16.957 million, while impairment losses on financial assets of RMB2.148 million were recorded for the same period of 2022, which was mainly due to the new fixed income project investment of RMB1,201 million, corresponding provision for financial asset impairment loss of RMB12.01 million and the additional provision of RMB5.425 million for the other receivables of SREI in the first half of 2023.

Finance costs

In the first half of 2023, finance costs increased by 64% compared with the same period in 2022, mainly due to interest expenses of RMB10.719 million for the new guaranteed bonds in the first half of 2023, the rise in the floating interest rate of China Construction Bank (Asia) Corporation Limited ("CCB (Asia)") loans resulted in an increase of RMB3.663 million in loan interest compared to the same period of 2022.

Share of losses from joint ventures and associates

In the first half of 2023, the Group's share of losses from joint ventures and associates was RMB5.289 million, representing an increase of 94% as compared with the same period in 2022, mainly due to the construction project of its joint venture, Nanjing Guoying Zhongxi Development Company Limited previously started construction has been completed and the interest of bank borrowings was unavailable for continuous capitalisation, which resulted in a significant loss.

Taxation

In the first half of 2023, the Group's income tax expenses decreased by 38% to RMB12.686 million as compared with the same period in 2022, wherein among which, current income tax expenses increased by 18%, deferred tax expense decreased by 115% and withholding tax increased by 5%.

Financial Position

Investments in associates

The balances as at 30 June 2023 increased by RMB5.749 million as compared with that of 31 December 2022, which was mainly due to the shares of loss of RMB0.429 million and other comprehensive income of RMB6.178 million from associates.

Investments in joint ventures

The balances as at 30 June 2023 decreased by RMB4.86 million as compared with that of 31 December 2022, which was mainly due to the share of loss of RMB4.86 million from the joint venture.

Debt instruments at amortised cost (non-current assets)

As at 30 June 2023, debt instruments at amortised cost (non-current assets) increased by RMB741 million as compared with that of 31 December 2022, which was mainly due to the increase of RMB150 million of the Jiangyin Changjing Industrial Park Sewage-treatment Plant Project, RMB351 million of Wuxi Liangxi District Food Science and Technology Innovation Centre Project, RMB500 million of Wuxi Gaoxin District Industrial Park Project, and RMB200 million of Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project in the first half of 2023; RMB200 million of the Hubei Daye Advanced Manufacturing Standard Plant Construction Project and RMB268 million of Yangzhou Jiangdu People's Hospital New Project reclassified from non-current assets to current assets.

Financial assets at fair value through profit or loss (non-current assets)

As at 30 June 2023, financial assets at fair value through profit or loss increased by RMB24.882 million as compared with that of 31 December 2022, which was mainly due to RMB17.721 million new investment was made to Deer Technology Project, an increase in fair value of RMB6.814 million of Giant Biogene Project, the foreign exchange gains of RMB0.347 million of WeRide Project in the first half of 2023.

Trade receivables

As at 30 June 2023, trade receivables decreased by RMB1.856 million as compared with that of 31 December 2022, which was mainly due to the collection of rental receivables of Wuhan Company.

Debt instruments at amortised cost (current assets)

As at 30 June 2023, debt instruments at amortised cost (current assets) increased by RMB388 million as compared with that of 31 December 2022, which was mainly due to the collection of investment in Yancheng Sheyang Ruiyang Technology Fixed Income Project of RMB100 million, Hubei Daye Advanced Manufacturing Standard Plant Construction Project of RMB200 million was transferred from non-current assets to current assets, and Yangzhou Jiangdu People's Hospital New Project of RMB268 million was transferred from non-current assets to current assets in the first half of 2023.

Financial assets at fair value through profit or loss (current assets)

As at 30 June 2023, financial assets at fair value through profit or loss decreased by RMB875 million as compared with that of 31 December 2022, which was mainly due to the redemption of wealth management products of RMB870 million in the first half of 2023 for the purpose of projects investment.

Interest-bearing loans and borrowings

As at 30 June 2023, interest-bearing loans and borrowings increased by RMB1,501 million as compared with that of 31 December 2022, which was mainly due to the completion of the issuance of RMB1,500 million guaranteed bonds by Success, the drawdown of RMB8 million from the short-term loan of China Merchants Bank, the repayment of the loan of RMB41 million to BOC and RMB10 million to China Merchants Bank, the exchange gain of RMB16.697 million from the loan of EUR34 million and USD4.8 million of CCB (Asia), and the accrued interest of other borrowings due to shareholder loans obtained from Tongchuang LP partnership increased by RMB3.415 million and an increase in lease liabilities of RMB18.191 million due to the renewal of the lease of the office building of Beijing Xincheng Kaiyuan Asset Management Company Limited.

Guaranteed bonds

Please refer to Note 21 for the details of the guaranteed bonds.

Trade payables

As at 30 June 2023, trade payables increased by RMB2.148 million as compared with that of 31 December 2022, which was mainly due to the payment by SGLD of the construction expenditure of Plot D1–3 kindergarten project.

Other payables and accruals

As at 30 June 2023, other payables and accruals decreased by RMB23.312 million as compared with that of 31 December 2022, which was mainly due to the payment by Wuhan Company of the construction expenditure.

Contract liabilities

As at 30 June 2023, contract liabilities decreased by RMB13.476 million as compared with that of 31 December 2022, which was mainly due to the completion and settlement of the SGLD Plot D1–3 kindergarten project, and the carry-forward contract liabilities of RMB13.374 million.

Cash and bank balances

As at 30 June 2023, cash and cash equivalents increased by RMB1,247 million as compared with that of 31 December 2022, which was mainly due to net cash outflow from operating activities of RMB22.203 million, net cash outflow from investing activities of RMB156 million and net cash inflow from financing activities of RMB1,426 million in the first half of 2023.

As at 30 June 2023, gearing ratio (defined as net debt/the sum of shareholders equity and net debt, net debt defined as total debt less cash and bank balances) was 16%, which increased as compared with 12% as at 31 December 2022. This was mainly due to the increase of RMB1,501 million in interest-bearing loans and other borrowings and the increase of RMB1,247 million in cash and bank balances as at 30 June 2023.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed in the financial position in the financial review/abstracts, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Significant investments

Save as disclosed in the financial position section in the financial review/abstracts, the Group did not hold any significant investments or capital assets during the Reporting Period.

Foreign exchange exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interesting-bearing bank borrowings.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Reporting Period, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

Shanghai Management is currently a defendant in the lawsuits brought by Shanghai Hengchang Trading Co., Ltd. and Shanghai Yuanyi Industrial Co., Ltd., which were alleged for the over-received amount of RMB14,400 thousand and RMB1,000 thousand, respectively, in relation to certain consideration and payments of the Disposal Assets.

The Directors, based on the advice from the Group's legal counsel, believe that Shanghai Management have valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

Save as disclosed above, as at 30 June 2023, the Group did not have any significant contingent liabilities.

b) Details of important events affecting the Group which have occurred since the end of the Reporting Period:

Nil

c) An indication of likely future developments in the business of the Group for the fiscal year:

In the second half of this year, the Group will continue to stabilise fixed-income investment portfolios and control project risks to stabilise cash flow. Also, the Group will maintain business transformation, seeking investment opportunities prudently amid challenges. Based on market demands, it will expand investment opportunities in such areas as big health industry, strategic emerging industry, infotech application innovation industry, stabilise the operation of quality assets as well as improve asset efficiency and investment returns so as to create long-term and sustainable core values for shareholders.

d) Business prospects and outlook

In the first half of 2023, China's economy experienced gradual recovery evidenced by the stable and improved growth rate of various economic indicators as well as further signals of stability. In the first half of the year, under the combined effect of the release of pent-up demand in the previous period, policy support and low base effect, China's macro-economy rebounded to growth significantly. Meanwhile, the triple pressure of shrinking demand, supply shock and weakening expectation was alleviated to different degrees, demonstrating an operating characteristic of "bottoming out". In the first half of the year, the gross domestic product amounted to RMB59,303.4 billion, representing a year-on-year increase of 5.5%, among which the primary, secondary and tertiary industries increased by 3.7%, 4.3% and 6.4% year-on-year, respectively. In contrast to previous economic cycles, China's economy has entered into a phase of restorative growth after three years of the pandemic. On the one hand, the economic growth rate gradually returned to its potential growth rate, and on the other hand, the chain growth rate slowed down, marking that China's economic restoration has entered the second half of the cycle, and the aggregate policy will remain stable with the possibility of adjustments.

In the first half of 2023, the Group accelerated its project reserves and development, and stabilised sound operation of performing assets. Optical Valley Project in Wuhan shortened the vacancy period of the tenants to increase the project revenue through scientific adjustments and timely renewal of the tenant structure. In the first half of 2023, the occupancy rate was maintained at over 97% in terms of building office, and nearly 80% in terms of shops. In terms of principal business expansion in investment in fixed income projects, the Group was well-positioned to developing and reserving projects giving into full play of its customer resources strength accumulated at the preliminary stage. Under the slowdown in economic growth, the Group adhered to the overall strategy of "safe collection for existing businesses, synergistic development for new businesses, and gradual adjustment and optimisation of structure", and leveraged on the shareholders' advantages in resource coordination, to successfully deploy in the developed regions in Southern Jiangsu and optimise its investment structure. As of 30 June 2023, its total fixed investment income portfolio recovered RMB2.669 billion, representing a corresponding average annualised pre-tax return on investment of approximately 8%, which laid a solid foundation for stable cash flow replenishment. Leveraging on it, in terms of equity investment, the Group, considering the strategic transformation and industry development cycle, focuses on areas including biomedical, healthcare, semiconductor and high-end advanced manufacturing, and conducts in-depth industry research and exploration and reserves a pool of high-quality project resources, to lay a solid foundation for its strategic transformation.

In the first half of this year, the Group expanded investment business by studying inbound and outbound financing channels, giving full play to the financing function of listed companies and optimise financing costs. Supported by guarantee credit from the Company's largest shareholder Wuxi Communications, the Group issued a three-year free trade zone bonds amounting RMB1.5 billion with the interest rate of 3.98%. The successful issuance of the bonds provided adequate funds for the Group's strategic transformation and development and also demonstrated the support and confidence from our large shareholders to the Group's future development prospect and the resource strategic coordination.

Going forward, the Group will continue to seek investment opportunities prudently amid challenges and maintain business transformation by leveraging its resource advantages. It will expand equity investment business in such new economic areas as big health industry, strategic emerging industry, infotech application innovation industry based on market demands and aligned with national policies, while operating steadily performing assets and divesting existing non-performing assets, to promote high quality and stable development of the Company and create long-term and sustainable core values for shareholders.

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

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the Reporting Period.

30. MOVEMENTS IN SECURITIES

There was no movement in securities of the Company during the first half of 2023. At the end of the Reporting Period, the total number of the issued shares was 9,726,246,417.

31. CORPORATE GOVERNANCE

During the Reporting Period, the Company has complied with all the principles and the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules.

32. EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, there were 89 (2022: 90) employees in the Group. During the Reporting Period, the total staff cost including Directors' remuneration amounted to approximately RMB20.97 million (2022: RMB23.32 million). Staff remuneration packages are determined in consideration of the market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for the employees.

33. DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiries had been made by the Company to all Directors who have confirmed that they had complied with required standard as set out in the Model Code during the Reporting Period.

34. INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared an interim dividend of HKD0.0022 per ordinary share for the Reporting Period payable to the shareholders whose names appear on the register of members of the Company (the "**Register of Members**") at the close of business on Thursday, 31 August 2023. The Register of Members will be closed on Wednesday, 30 August 2023 and Thursday, 31 August 2023, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, whose share registration public offices are located at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 29 August 2023. The relevant dividend warrants will be dispatched to shareholders on Wednesday, 20 September 2023.

35. AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The Financial Statements have been reviewed by the Audit Committee.

APPRECIATION STATEMENT

It is the Board's privilege to express our gratitude to our strategic investors and shareholders for their trust and support and to offer our heartfelt thanks to all Directors, executives and staff members in the Group for their team spirit and loyalty.

By Order of the Board
China New Town Development Company Limited
Hu Zhiwei
President

Hong Kong, 11 August 2023

As at the date of this announcement, the executive Directors, namely Mr. Hu Zhiwei (President), Ms. Yang Meiyu (Chief Executive Officer), Mr. Shi Janson Bing and Mr. Liu Fangqing; the non-executive Directors, namely Mr. Liu Yuhai (Chairman), Mr. Li Yao Min (Vice Chairman), Mr. Wang Hongxu and Mr. Feng Xiaoliang; and the independent non-executive Directors, namely Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. Lo Wai Hung.