



**LEADING HOLDINGS GROUP LIMITED**

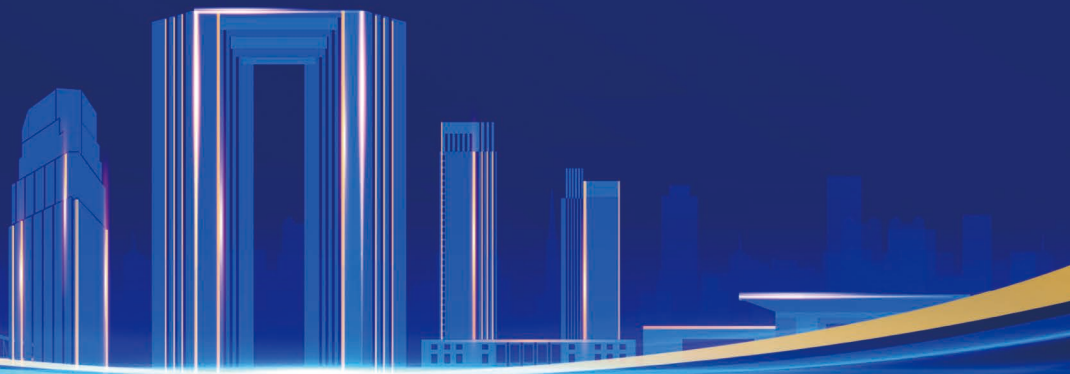
**領地控股集團有限公司**

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

**Stock code: 6999**

**2023**

**INTERIM REPORT**



# CONTENTS

Corporate Information	2
Glossary and Definition	4
Management Discussion and Analysis	8
Corporate Governance and Other Information	32
Interim Condensed Consolidated Statement of Profit or Loss	38
Interim Condensed Consolidated Statement of Comprehensive Income	39
Interim Condensed Consolidated Statement of Financial Position	40
Interim Condensed Consolidated Statement of Changes in Equity	42
Interim Condensed Consolidated Statement of Cash Flows	43
Notes to Interim Condensed Consolidated Financial Information	46



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Liu Yuhui (*Chairman*)  
Mr. Luo Changlin  
Ms. Hou Xiaoping (*resigned on 5 July 2023*)

### Independent non-executive Directors

Ms. Jin Xu  
Ms. Liang Yunxing  
Mr. Fang Min

## JOINT COMPANY SECRETARIES

Mr. Luo Changlin  
Ms. Tang King Yin

## AUTHORIZED REPRESENTATIVES

Mr. Liu Yuhui  
Ms. Tang King Yin

## AUDIT COMMITTEE

Ms. Liang Yunxing (*Chairperson*)  
Ms. Jin Xu  
Mr. Fang Ming

## REMUNERATION COMMITTEE

Ms. Jin Xu (*Chairperson*)  
Mr. Liu Yuhui  
Ms. Liang Yunxin

## NOMINATION COMMITTEE

Mr. Liu Yuhui (*Chairperson*)  
Ms. Jin Xu  
Ms. Liang Yunxing

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

46/F, Tower A  
Leading International Finance Center  
No. 151, 2nd Tianfu Street  
Gaoxin District  
Chengdu, Sichuan Province  
PRC

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services  
Limited  
Shops 1712–1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## **AUDITOR**

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## **LEGAL ADVISOR AS TO HONG KONG LAW**

Sidley Austin

## **PRINCIPAL BANKS**

Agricultural Bank of China  
Chengdu Tongzilin Branch  
Agricultural Bank of China  
Chengdu Zijin Branch

## **STOCK CODE**

06999

## **COMPANY'S WEBSITE**

[www.leading-group.com](http://www.leading-group.com)

## Glossary and Definition

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

“Acting in Concert Deed”	the acting in concert deed dated 18 February 2020 and executed by the Ultimate Controlling Shareholders, details of which are set out in the section headed “Relationship with Controlling Shareholders — Acting in Concert Deed” in the Prospectus
“ASP”	average selling price
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China
“Company”	Leading Holdings Group Limited (領地控股集團有限公司) (formerly known as Leading China Holdings Limited (領地中國控股有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6999)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context requires otherwise, refers to Yuan Di, Fan Tai, Yue Lai, Jin Sha Jiang, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng, Shan Yuan, Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli, and a Controlling Shareholder shall mean each or any one of them
“CG Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Fan Tai”	Fan Tai Investment Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Fu Sheng”	Fu Sheng Capital Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly-owned by Ms. Long Yiqin and is one of the Controlling Shareholders
“GFA”	gross floor area
“Group”	the Company and its subsidiaries

“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“Jin Sha Jiang”	Jin Sha Jiang Holding Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“Leading Group”	Leading Group Co., Ltd.* (領地集團有限公司) (formerly known as Meishan Baoma Real Estate Development Co., Ltd.* (眉山地區寶馬房地產開發有限公司) upon its incorporation), a company established in the PRC with limited liability on 19 April 1999 and an indirect wholly-owned subsidiary of the Company
“Lian Rong”	Lian Rong Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Liang Yuan Enterprise Management”	Liang Yuan Enterprise Management Co., Ltd.* (量源企業管理有限公司) (formerly known as Liang Yuan Asset Management Co., Ltd.* (量源資產管理有限公司)), a company established in the PRC with limited liability on 12 August 2011 which is owned as to 33.34% by Mr. Liu Songfa, 33.33% by Mr. Liu Ce and 33.33% by Mr. Liu Haowei
“Ling Yue”	Ling Yue Capital Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing”	the listing of the Shares on the Main Board
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Liu Ce”	Mr. Liu Ce (劉策) (formerly known as Liu Huan (劉歡)), one of the Ultimate Controlling Shareholders. He is the son of Ms. Hou Sanli
“Mr. Liu Haowei”	Mr. Liu Haowei (劉浩威), the vice president of the Group and one of the Ultimate Controlling Shareholders. He is the son of Ms. Wang Tao
“Mr. Liu Shan”	Mr. Liu Shan (劉山) (formerly known as Liu Yuxian (劉玉賢)), the spouse of Ms. Wang Tao
“Mr. Liu Yuhui”	Mr. Liu Yuhui (劉玉輝), the chairman of the Board, executive Director, chief executive officer of the Company and one of the Ultimate Controlling Shareholders. He is the spouse of Ms. Long Yiqin

## Glossary and Definition

“Mr. Liu Yuqi”	Mr. Liu Yuqi (劉玉奇), the spouse of Ms. Hou Sanli
“Ms. Hou Sanli”	Ms. Hou Sanli (侯三利), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Ce
“Ms. Long Yiqin”	Ms. Long Yiqin (龍一勤), one of the Ultimate Controlling Shareholders. She is the spouse of Mr. Liu Yuhui
“Ms. Wang Tao”	Ms. Wang Tao (王濤), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Haowei
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 26 November 2020
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	the lawful currency of the PRC
“Rong Liang Group”	Rong Liang Group Co., Ltd.* (融量集團有限公司) (formerly known as Chengdu Shouxin Investment Co., Ltd.* (成都首信投資有限公司)), a company established in the PRC with limited liability on 10 May 2006, which is owned as to approximately 33.17% by Mr. Liu Haowei, 33.16% by Mr. Liu Yuhui, 33.16% by Mr. Liu Ce, 0.17% by Ms. Wang Tao, 0.17% by Ms. Long Yiqin and 0.17% by Ms. Hou Sanli
“San Jiang Yuan”	San Jiang Yuan Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Wang Tao and is one of the Controlling Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shan Yuan”	Shan Yuan Holdings Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Hou Sanli and is one of the Controlling Shareholders
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 16 November 2020, a summary of the principal terms and conditions of which is set forth in the section headed “Statutory and General Information — D. Other Information — 1. Share Option Scheme” in Appendix V to the Prospectus
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are to be traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange

“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Ultimate Controlling Shareholders”	Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli
“Yuan Di”	Yuan Di Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Yue Lai”	Yue Lai Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“%”	per cent

\* *for identification purpose only*



# Management Discussion and Analysis

## OVERVIEW AND OUTLOOK

After the relaxation of pandemic measures in China for over half a year, positive signs of economic recovery and increased consumer spending and consumption became evident. In the first half of 2023, the GDP experienced a growth rate of 5.5%, while the overall real estate market exhibited a steady trend. The Group insisted on quality assurance and delivery guarantee based on the customer-oriented strategy. In the first half of 2023, the Group remained overall steady operations and stuck to project quality. Through optimization of delivery and service quality, the Group made continuous improvements in customer satisfaction. It completed on-time delivery with over 10,000 projects in the first half of 2023.

Under an unstable and uncertain industry environment, coupled with the market confidence yet to be rebuilt in the short term, the Group, with professionalism, dares to overcome the difficulties and challenges, and has the determination and faith that it is able to make improvement to solve practical problems. The Group will make concerted efforts to enhance its team building capabilities to start a new journey in the second half of 2023.

## Property Development

### Contracted Sale

For the six months ended 30 June 2023, the Group recorded contracted sales of RMB5,968.2 million, representing a period-over-period decrease of 32.3% from the corresponding period of 2022.

For the six months ended 30 June 2023, total contracted GFA sold amounted to approximately 0.8 million sq.m., representing a decrease of approximately 31.8% from approximately 1.2 million sq.m. for the six months ended 30 June 2022. Contracted ASP for the six months ended 30 June 2023 was approximately RMB7,352.3 per sq.m., compared with RMB7,404.9 per sq.m. for the six months ended 30 June 2022.

Contracted sales from Beijing-Tianjin-Hebei Region, Central China, Chengdu-Chongqing Economic Zone and Sichuan province, Guangdong-Hong Kong-Macau Greater Bay Area contributed to approximately 0.8%, 2.8%, 80.9% and 2.8%, respectively, of the Group's total contracted sales for the six months ended 30 June 2023.

The following table sets out the geographic breakdown of the Group's contracted sales for the six months ended 30 June 2023.

	<b>Contracted GFA Sold</b> <i>(sq.m.)</i>	<b>Contracted Sales</b> <i>(RMB'000)</i>	<b>Contracted ASP</b> <i>(RMB/sq.m.)</i>	<b>% of Contracted Sales</b> <i>(%)</i>
Beijing-Tianjin-Hebei Region	7,868.9	50,157.7	6,374.2	0.8%
Central China	32,763.6	168,428.9	5,140.7	2.8%
Chengdu-Chongqing Economic Zone and Sichuan province	665,611.8	4,827,522.4	7,252.8	80.9%
Guangdong-Hong Kong-Macau Greater Bay Area	18,320.7	167,217.6	9,127.2	2.8%
Other Regions <sup>(1)</sup>	87,193.1	754,940.0	8,658.3	12.7%
<b>Total</b>	<b>811,758.1</b>	<b>5,968,266.6</b>	<b>7,352.3</b>	<b>100.0%</b>

Note:

- (1) Other Regions include Changchun of Jilin province, Urumqi and Korla of Xinjiang Uyghur Autonomous Region, Zunyi and Kaili of Guizhou province, which are not in the Group's key regions.

### Revenue Recognized from Sales of Properties

Revenue from sale of properties of the Group increased by 8.9% from approximately RMB6,363.9 million for the six months ended 30 June 2022 to approximately RMB6,932.9 million for the six months ended 30 June 2023, accounting for 98.7% of the Group's total revenue. The Group's recognized ASP from sales of properties decreased from approximately RMB8,219 per sq.m. for the six months ended 30 June 2022 to approximately RMB7,427 per sq.m. for the six months ended 30 June 2023. It is mainly due to the downturn of the industry. The Company has taken the measure of price reduction and promotion to boost sales and ensure cash flow.

## Management Discussion and Analysis

The following table sets forth the details of the revenue recognized from the sales of properties of the Group by geographical location for the periods indicated.

	Recognized Revenue from Sale of Properties		% of Recognized Revenue from Sale of Properties		Total GFA Recognized		Recognized ASP	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2023 (RMB'000)	2022 (RMB'000)	2023 %	2022 %	2023 sq.m	2022 sq.m	2023 RMB/sq.m	2022 RMB/sq.m
Beijing-Tianjin-Hebei Region	16,097	248,511	0.2%	3.9%	2,354	34,717	6,839	7,158
Central China	377,093	455,786	5.4%	7.2%	68,818	66,932	5,480	6,810
Chengdu-Chongqing Economic Zone and Sichuan province	5,386,624	5,082,132	77.7%	79.9%	725,879	594,131	7,421	8,554
Guangdong-Hong Kong-Macau Greater Bay Area	257,583	59,628	3.7%	0.9%	28,586	6,689	9,011	8,914
Other Regions	895,528	517,843	13.0%	8.1%	107,882	71,802	8,301	7,212
<b>Total</b>	<b>6,932,925</b>	<b>6,363,900</b>	<b>100.0%</b>	<b>100.0%</b>	<b>933,519</b>	<b>774,271</b>	<b>7,427</b>	<b>8,219</b>

The following table sets forth the revenue from sale of properties and ASP by type of properties for the periods indicated.

	Recognized Revenue from Sale of Properties		% of Recognized Revenue from Sale of Properties		Total GFA Recognized		Recognized ASP	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2023 (RMB'000)	2022 (RMB'000)	2023 %	2022 %	2023 Sq.m.	2022 Sq.m.	2023 RMB/sq.m	2022 RMB/sq.m
Residential	6,553,622	5,763,587	94.5%	90.6%	864,240	695,314	7,583	8,289
Commercial	272,656	436,103	3.9%	6.9%	25,743	40,088	10,592	10,879
Car Parks	106,647	164,210	1.6%	2.5%	43,536	38,869	2,450	4,225
<b>Total</b>	<b>6,932,925</b>	<b>6,363,900</b>	<b>100.0%</b>	<b>100.0%</b>	<b>933,519</b>	<b>774,271</b>	<b>7,427</b>	<b>8,219</b>

### Completed Properties Held for Sale

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As at 30 June 2023, the Group had completed properties held for sale of RMB7,352.1 million, representing a 35.5% increase from RMB5,424.9 million as at 31 December 2022. The increase was primarily due to decrease in sales during the six months ended 30 June 2023. The Group has obtained the construction completion certificates in respect of all completed properties held for sale.

### Properties under Development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 30 June 2023, the Group had properties under development of RMB26,991.6 million, representing a 12.8% decrease from RMB30,958.6 million as at 31 December 2022. The decrease was primarily due to decrease in the number of projects to be developed by the Group in 2023.

## Property Investment

### Commercial Property Operations

The Group's revenue from commercial property operations of the Group amounted to approximately RMB56.0 million for the six months ended 30 June 2023, which remained stable as compared to the Group's revenue from commercial property operations of the Group in the amount of approximately RMB55.9 million for the six months ended 30 June 2022.

### Investment Properties

As at 30 June 2023, the Group had 8 investment properties with a total leasable GFA of approximately 292,552.58 sq.m. Among such investment properties portfolio of the Group, investment properties with a total GFA of approximately 212,893.13 sq.m. had commenced leasing.

### LAND BANK

As at 30 June 2023, the total GFA of land reserves of the Group was approximately 12,349,837 sq.m.. The following table sets forth a summary of the Group's property interests as at 30 June 2023:

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
<b>Properties developed by the Group</b>								
1	Chengdu Yipin Center	Chengdu	100%	Commercial/Carpark/ Others	20,534	December-2026	141,509	Within the planned red line of Chadianzi Yipintianxia Street, Jinniu District, Chengdu City, Sichuan Province
2	Chengdu Xishan Lantai	Chengdu	100%	Residential/Carpark/ Ancillary/Others	34,756	May-2021	14,677	No. 988, Huaxin Avenue, Baihe Town, Longquanyi District, Chengdu City, Sichuan Province
3	Chengdu Yue Center	Chengdu	100%	Residential/Commercial/ Carpark/Ancillary/ Others	27,400	May-2022	14,288	No. 521, East Section of Industrial Avenue, Xindu District, Chengdu City, Sichuan Province
4	Chongqing Leading Guanyun House	Chongqing	100%	Residential/Carpark/ Ancillary/Others	40,372	November-2021	18,254	No. N23/03, N District, Jieshizutuan, Banan, Chongqing
5	Leshan Qingjiang Lantai Mansion	Leshan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	50,000	December-2020	13,122	No. 533 Ruihan Road, Shizhong District, No. 1065 Taibai Road, Shizhong District, Leshan City, Sichuan Province
6	Chengdu Tianfu Lantai Mansion (Xinlong)	Chengdu	98%	Residential/Commercial/ Carpark/Ancillary/ Others	159,963	December-2022	56,093	Group 2, 5, 6, Yangliu Village and Group 2, Liuhe Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
7	Chengdu Tianfu Lantai Mansion (Jingyang)	Chengdu	100%	Residential/Carpark/ Ancillary/Others	38,967	November-2021	22,632	Group 2, 3, Yangliu Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
8	Chengdu Haina Shidai	Chengdu	100%	Residential/Commercial/ Carpark/Ancillary/ Others	41,822	February-2017	14,283	Zhili Road and Zhixinger Road, Chengdu City, Sichuan Province
9	Chengdu Lantai House	Chengdu	100%	Residential/Carpark/Others	40,897	October-2020	13,681	No. 1555, Guoning West Road, Hongguang Town, Pidu District, Chengdu City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
10	Chengdu Leading Tianyu	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	57,523	September-2023	132,516	Diagonally opposite to Volkswagen 4S Store, Renshou Avenue, Renshou County, Chengdu City, Sichuan Province
11	Pengshan Guanjiang Mansion	Meishan	80%	Residential/Commercial/ Carpark/Ancillary/ Others	71,770	March-2023	124,512	Binjiang Avenue, Pengshan District, Meishan City, Sichuan Province
12	Panzhuhua Leading Yangguang Flower City	Panzhuhua	100%	Residential/Commercial/ Carpark/Ancillary/ Others	186,791	November-2024	235,269	Ganbatang Area, Huacheng New District, Panzhuhua City, Sichuan Province
13	Xichang Leading Lantai House	Xichang	51%	Residential/Commercial/ Carpark/Ancillary/ Others	99,752	May-2019	3,157	Xijiao Yaoshan Village, North of Nanshan Avenue, South of Haihe Road, Xichang City, Sichuan Province
14	Xichang Leading Triumph International Mansion	Xichang	83%	Residential/Commercial/ Carpark/Ancillary/ Others	33,287	January-2017	917	No. 599, Section 5, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
15	Xichang Leading Jinxiu Lantai Mansion	Xichang	80%	Residential/Commercial/ Carpark/Ancillary/ Others	62,578	May-2024	116,876	Near Zhonghang East Road, West New City, Xichang City, Sichuan Province
16	Urumqi Leading Lantai House	Urumqi	95%	Residential/Commercial/ Carpark/Ancillary/ Others	103,928	June-2022	135,449	No. 616, Junggar Street, East of Suzhou Road, Urumqi City, Xinjiang Uygur Autonomous Region
17	Urumqi Leading Tianyu	Urumqi	100%	Residential/Commercial/ Carpark/Ancillary/ Others	115,428	June-2022	256,986	South of Hongguangshan Road, Shuimogou District, Urumqi City, Xinjiang Uygur Autonomous Region
18	Korla Leading Lantai House	Korla	100%	Residential/Commercial/ Carpark/Ancillary/ Others	63,624	October-2020	5,376	Leading Triumph Mansion, near southwest No. 6 Shihua Avenue, No. 5 Community, Construction Area, Korla City, Bazhou, Xinjiang Uygur Autonomous Region
19	Korla Leading Triumph Mansion	Korla	85%	Residential/Commercial/ Carpark/Ancillary/ Others	87,933	October-2021	28,595	(Next to Peacock Park) No. 6 Shihua Avenue, Korla, Xinjiang Uygur Autonomous Region

## Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
20	Chengteh Lantai House	Chengteh	40%	Residential/Commercial/ Carpark/Ancillary/ Others	53,279	July-2020	1,856	Yuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
21	Chengteh Lantai House Yunshang & Jinyuan	Chengteh	51%	Residential/Commercial/ Ancillary/Others	62,969	September-2023	70,868	Sicaigou B, Dayuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
22	Chengteh Lantai House Yueshan	Chengteh	51%	Residential/Commercial/ Carpark/Ancillary/ Others	34,981	April-2023	52,466	Yuanbao Mountain, Shuangluan District, Chengde City, Hebei Province
23	Jilin Triumph Mansion	Changchun	55%	Residential/Commercial/ Carpark/Ancillary/ Others	132,188	May-2020	125	Xincheng West Street, Jingyue Development Zone, Changchun City, Jilin Province
24	Xingyang Leading Tianyu	Xingyang	70%	Residential/Commercial/ Carpark/Ancillary/ Others	29,396	December-2021	43,791	Northwest of the intersection of Jingcheng Road and Gongye East Road, Xingyang City, Zhengzhou City, Henan Province
25	Shangqiu Leading Lantai House	Shangqiu	51%	Residential/Commercial/ Carpark/Ancillary/ Others	59,698	December-2025	136,578	North of Xiwang Road, south of Nanjing Road, west of Shangqiu City Road(Planning), East of Zhenxing Road, Henan Province
26	Zhumadian Royal Lantai Mansion Phase I	Zhumadian	70%	Residential/Commercial/ Carpark/Ancillary/ Others	182,936	December-2021	153,022	Northwest of the intersection of Tianzhongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
27	Zhumadian Royal Lantai Mansion Phase II	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	70,590	August-2024	200,882	Northeast of the intersection of Zhanhai Avenue and Jianshe Avenue, Zhumadian City, Henan Province
28	Zhumadian Royal Lantai Mansion Phase III	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	75,863	September-2025	50,811	Southwest of the intersection of Lizhuang Road and Chunliu Road, Zhumadian City, Henan Province
29	Zhumadian Royal Lantai Mansion Phase IV	Zhumadian	70%	Residential/Carpark/ Ancillary/Others	168,489	November-2023	253,504	Northeast corner of the intersection of Tongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
30	Zhumadian Royal Lantai Mansion Phase V	Zhumadian	70%	Residential/Commercial/ Carpark/Ancillary/ Others	156,270	September-2023	181,271	The southeast side of the intersection of Lizhuang Road and Chunliu Road, and the northwest side of the intersection of Zhangtai Road and Jianshe, Zhumadian City, Henan Province
31	Jingzhou Leading Lantai House	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/ Others	54,070	September-2021	14,580	Northwest of the intersection of Chutian Road and Dongqiao Road, Jingbei New District, Jingzhou District, Jingzhou City, Hubei Province
32	Jingzhou Leading Fengming Lantai Mansion	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/ Others	48,399	July-2022	11,834	No. 66, Fengming Avenue, Jingzhou District, Jingzhou City, Hubei Province
33	Leshan Haina Mansion	Leshan	51%	Residential/Commercial/ Carpark/Ancillary/ Others	36,200	January-2016	1,389	No. 1589 Muyuan Road, Muchuan County, Leshan City, Sichuan Province
34	Leshan Lantai House	Leshan	60%	Residential/Commercial/ Carpark/Ancillary/ Others	88,108	December-2021	19,008	East of the intersection of Sansu Road and Ruixiang Road, Qingjiang New District, Shizhong District, Leshan City, Sichuan Province
35	Leshan Tianyu	Leshan	51%	Residential/Commercial/ Carpark/Ancillary	29,796	March-2020	405	Intersection of Hanlin Road and Fenghuang Road, Tongjiang District, Leshan City, Sichuan Province
36	Leshan Lanshan	Leshan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	89,630	October-2021	7,654	No. 881, Section 1, Ruixiang Road, Leshan City, Sichuan Province
37	Leshan International Mansion	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/ Others	127,204	May-2019	1,196	Taoyuan New Village, Mouzi Town, Shizhong District, Leshan City, Sichuan Province
38	Zunyi Lantai House	Zunyi	55%	Residential/Commercial/ Carpark/Ancillary/ Others	39,759	January-2023	42,540	Intersection of Shanghai Road and Ningbo Road, Huichuan District, Zunyi City, Guizhou Province
39	Meishan Triumph International Mansion	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	256,303	November-2020	25,533	Southwest corner of the intersection of Hubin Road and Meizhou Avenue, Meishan City, Sichuan Province



## Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
40	Meishan Triumph Square	Meishan	79%	Residential/Commercial/ Carpark/Ancillary	73,976	May-2015	90	Northeast of the intersection of Suyuan Road and Dongpo Avenue, Dongpo District, Meishan City, Sichuan Province
41	Meishan Huayu Phase II	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	9,102	June-2020	1,674	Southeast corner of the intersection of Suyuan Road and Chongguang Street, Meishan City, Sichuan Province
42	Meishan Triumph International Mansion Phase II	Meishan	57%	Residential/Commercial/ Carpark/Ancillary/ Others	39,838	July-2019	183	Northeast of the intersection of Jiangxiang Road and Qingyihang, Dongpo District, Meishan City, Sichuan Province
43	Meishan Lantai House	Meishan	55%	Residential/Commercial/ Carpark/Ancillary/ Others	109,814	August-2022	51,171	Northwest corner of the intersection of Fucheng Road and Shuangfeng Street, Dongpo District, Meishan City, Sichuan Province
44	Meishan Guanjiang Mansion	Meishan	55%	Residential/Commercial/ Carpark/Ancillary/ Others	65,695	April-2022	22,315	Southwest corner of the intersection of Binjiang Avenue and Qitong Road, Meishan City, Sichuan Province
45	Haifeng Tianyu	Shanwei	100%	Residential/Commercial/ Carpark/Ancillary/ Others	35,774	August-2023	75,450	Plot KJC-B07, Ecological Technology City, Haifeng County, Shanwei City, Guangdong Province
46	Huizhou Lantai House	Huizhou	100%	Residential/Commercial/ Carpark/Ancillary/ Others	83,840	March-2023	84,773	West of Jinquan Road, Xincheng, North Railway Station, Huicheng District, Huizhou City, Guangdong Province
47	Foshan Haina Longting	Foshan	51%	Residential/Commercial/ Carpark/Others	36,943	August-2017	434	North side of Qinggong Road and the east side of Dayong, North and South, Chancheng District, Foshan, Guangdong Province
48	Foshan Haina Junting	Foshan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	20,536	April-2017	75	West Guangyun Chantan Cross Road, Zhenli, Dali, Nanhai District, Guangdong Province
49	Foshan Haina Haoting	Foshan	51%	Residential/Commercial/ Carpark/Ancillary/ Others	37,276	January-2016	100	No. 139, Lishui Avenue Middle, Lishui Town, Nanhai District, Foshan City, Guangdong Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
50	Mianyang Tianyu	Mianyang	65%	Residential/Commercial/ Carpark/Ancillary/ Others	26,140	March-2020	5,121	No. 2, Hongqiao Road, Chengnan New District, Mianyang City, Sichuan Province
51	Mianyang Lantai House	Mianyang	62%	Residential/Commercial/ Carpark/Ancillary/ Others	56,060	August-2020	10,811	No. 94, Sanxing Road, Youxian District, Mianyang City, Sichuan Province
52	Nanchong Lantai House	Nanchong	100%	Residential/Carpark/ Ancillary/Others	59,774	April-2022	68,821	No. 118, Maoyuan South Road, Shunqing District, Nanchong City, Sichuan Province
53	Nanchong Tianyu	Nanchong	51%	Residential/Commercial/ Carpark/Ancillary/ Others	25,053	November-2020	15,086	No. 561, Jinyuling Road, Shunqing District, Nanchong City, Sichuan Province
54	Ya'an Yunjing	Ya'an	100%	Residential/Commercial/ Carpark/Ancillary	30,184	November-2020	10,453	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
55	Ya'an Guanjiang Mansion	Ya'an	100%	Residential/Commercial/ Carpark/Ancillary	39,149	November-2020	16,282	Qianjin Village, Daxing Town, Yucheng District, Ya'an City, Sichuan Province
56	Ya'an Tianyu	Ya'an	53%	Residential/Commercial/ Carpark/Ancillary	18,253	September-2019	8,276	Yazhou Avenue, Yucheng District, Ya'an City, Sichuan Province
57	Ya'an Lantai House	Ya'an	51%	Residential/Commercial/ Carpark/Ancillary	43,790	February-2021	21,911	No. 6, Ankang Road, Yucheng District, Ya'an City, Sichuan Province
58	Ya'an Lantai House Phase III	Ya'an	100%	Residential/Commercial/ Carpark/Ancillary/ Others	53,520	September-2021	27,965	Plot 2-12, Daxing District, Yucheng District, Ya'an City, Sichuan Province
59	Mianyang Guanjiang Mansion	Mianyang	100%	Residential/Commercial/ Carpark/Others	134,016	August-2025	423,482	Putisi Village, Ningxiang Temple Neighborhood Committee, High-tech Zone, Mianyang City, Sichuan Province
60	Mianyang Leading Dongyuan Yue Town	Mianyang	50%	Residential/Commercial/ Carpark/Ancillary/ Others	116,755	June-2023	212,369	C, Dengta Community, Qingyi Town, Fucheng District, Mianyang City, Sichuan Province
61	Ya'an Yuejiangting	Ya'an	51%	Residential/Commercial/ Carpark/Ancillary/ Others	16,674	October-2021	13,337	Daxing Area, Yucheng District, Ya'an, Sichuan Province

## Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
62	Xichang Tianyu	Xichang	100%	Residential/Commercial/ Carpark/Ancillary/ Others	26,935	January-2023	14,834	Near Section 1 of Huanhai Road, Chengdongchuanxing, Xichang City, Sichuan Province
63	Kaili Leading Tianyu	Kaili	100%	Residential/Commercial/ Carpark/Ancillary/ Others	251,148	May-2025	784,752	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
64	Chengdu Xindu Yue House	Chengdu	100%	Residential/Commercial/ Carpark/Ancillary/ Others	310,866	November-2024	393,882	No. 600, East Section of Xueyuan Road, Xindu District, Chengdu City, Sichuan Province
65	Luzhou Lantai House	Luzhou	54%	Residential/Commercial/ Carpark/Ancillary/ Others	52,767	February-2023	72,755	East side of Changjiang Primary School, Shawan District, Luzhou City, Sichuan Province
66	Chengdu Tianfu Kangcheng (Duneng)	Chengdu	91%	Residential/Commercial/ Carpark/Ancillary	90,121	March-2025	230,170	East of Huanhu East Road, Shigao Town, Renshou County
67	Chengdu Tianfu Kangcheng (Shengyu)	Chengdu	100%	Commercial/Carpark/ Ancillary/Others	60,638	June-2028	271,425	East of Huanhu East Road, Shigao Town, Renshou County
68	Chengdu Tianfu Kangcheng (Yuandi)	Chengdu	91%	Residential/Commercial/ Carpark/Ancillary	85,773	November-2023	345,753	East of Huanhu East Road, Shigao Town, Renshou County
69	Urumqi Jinshang Lantai Mansion	Urumqi	60%	Residential/Commercial/ Carpark/Ancillary/ Others	27,059	August-2023	69,802	East of Liyushan Road, High-tech Zone, Urumqi City
70	Urumqi Tianjing Yunzhu	Urumqi	100%	Residential/Commercial/ Carpark/Ancillary/ Others	30,178	August-2023	108,083	Main Road, Changchun Middle Road, Urumqi City
71	Yibin Guanjiang House	Yibin	55%	Residential/Commercial/ Carpark/Ancillary	132,479	January-2025	434,985	Yibin Lingang Economic and Technological Development Zone
72	Nanchong Jinwei Leading Yue Town	Nanchong	45%	Residential/Commercial/ Carpark/Ancillary/ Others	90,142	August-2024	217,548	Plot 2 on the east side of Financial Avenue, North New City, Shunqing District, Nanchong City

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
73	Guangyuan Leading City	Guangyuan	100%	Residential/Commercial/ Carpark/Ancillary	290,480	December-2024	585,499	Located on the east side of Kangyang Avenue in Heishipo Forest Park and the north side of Qiaoge Road in Xuefeng Office, Lizhou District, Guangyuan City
74	Panzhihua Ruxiang Flower City	Panzhihua	51%	Commercial/Carpark/ Ancillary	10,562	March-2023	32,112	Ganbatang Area, Huacheng New District, Panzhihua City
75	Chengdu Leading Guanjiang House	Dujiangyan	100%	Residential/Commercial/ Carpark/Ancillary/ Others	78,475	April-2024	154,952	North of Baishui East Road, East of Shangshan East Road, Dujiangyan City, Sichuan Province
76	Suining Taoli County	Suining	34%	Residential/Commercial/ Carpark/Ancillary/ Others	30,808	March-2023	124,436	East of Suizhou North Road, North of Hongqiao East Street, Suining Economic Development Zone, Sichuan Province
77	Xichang Leading Guanyuan	Xichang	70%	Residential/Commercial/ Carpark/Ancillary/ Others	90,531	February-2023	122,283	The southeast area of the downtown, Xichang City, Sichuan Province
78	Luohe Lishang Lantai	Luohe	51%	Residential/Commercial/ Carpark/Ancillary/ Others	109,724	July-2024	336,507	West of High-speed Railway Bridge, on the north side of Shali Industry Cluster, South of Lihe, Luohe City, Henan Province
79	Huilii Xuefu No. 1	Huilii	100%	Residential/Commercial/ Carpark/Ancillary/ Others	33,459	February-2023	35,594	Yingding Community of Huilii No. 1 Middle School, Sichuan Province
80	Zhangjiajie Xinsong Leading Robot Happy Town	Zhangjiajie	35%	Residential/Commercial/ Carpark/Ancillary	77,783	September-2023	278,740	On the east side of Yingbin Road, on the south side of Dianda Plaza, on the north side of Binhe Road, on the west side of Huatian Phase I, Guanliping Office, Yongding District, Zhangjiajie City
81	Chengdu Tianfu Leading Town	Chengdu	50%	Residential/Commercial/ Carpark/Ancillary/ Others	271,501	September-2023	766,198	(No. 18, Section 2, Shengwu Cheng Middle Road, Shuangliu District) Tianfu International Biological City, Chengdu City, Sichuan Province

## Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
82	Chengdu Leading Hexing Lifu Lantai Mansion	Pengzhou	51%	Residential/Commercial/ Carpark/Ancillary/ Others	64,309	May-2023	88,956	Qingyang Village, Zhihe Town, Pengzhou City, Sichuan Province
83	Chengdu Huguang Heyue	Pengzhou	51%	Residential/Commercial/ Carpark/Ancillary	41,343	September-2023	140,955	South side of Section 1, Huanhu Road, West side of Kaixuan Avenue, Zhihe Street, Pengzhou City, Sichuan Province
84	Leshan Biguiyuan Leading Tangyue Lantai	Leshan	100%	Residential/Commercial/ Carpark/Ancillary	56,197	July-2023	117,444	South side of Tanmu South Street, Central District, Leshan City, Sichuan Province
85	Ya'an Feicui Garden	Ya'an	50%	Residential/Commercial/ Carpark/Ancillary	35,652	March-2023	168,229	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
86	Mianyang Leading City	Mianyang	51%	Residential/Commercial/ Carpark/Ancillary	509,352	January-2030	1,448,860	Longmen Town, Fucheng District, Mianyang City, Sichuan Province
87	Leshan Lanshan Yue	Leshan	100%	Residential/Commercial/ Carpark/Ancillary	25,560	September-2023	76,077	North side of Changqing Road, west side of Ruixiang Road, Qingjiang Area, Leshan, Sichuan Province
88	Meishan Leading Jiangyue Lantai	Meishan	55%	Residential/Office/ Commercial/Carpark/ Ancillary/Others	60,201	September-2024	190,180	East of Dongpo No. 5 Kindergarten and Wen'an East Road; south of Qitong Road; west of our land bank; north of Kegongyuan 2nd Road, Meishan City, Sichuan Province
89	Meishan Leading Yueyuan	Meishan	55%	Residential/Office/ Commercial/Carpark/ Ancillary/Others	54,667	September-2024	158,292	North New Town Plate, near Suti Park, Sichuan Province
90	Wuhan Leading Yinbao City	Wuhan	51%	Residential/Commercial/ Carpark/Ancillary	22,131	December-2024	110,233	Fangcao Road, Wuhan City
91	Mianyang Yue Garden	Mianyang	100%	Residential/Commercial/ Carpark/Ancillary	36,411	June-2024	108,766	Science and Innovation Park, Mianyang City, Sichuan Province
92	Pengzhou Jinxiu Tianchen	Chengdu	51%	Residential/Commercial/ Carpark/Ancillary	23,217	September-2024	64,877	East of Binhe North Road, Tianpeng Street, north of North Section of Mudan Avenue, Pengzhou City

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
93	Chengdu Yueyintai	Chengdu	51%	Residential/Commercial/ Carpark/Ancillary/ Others	35,238	September-2024	159,447	Xiaolin Village, Xindu Town
	Subtotal						<u>11,900,310</u>	
<b>Properties developed by the associates and joint ventures of the Company</b>								
1	Leshan Emei the Grand Sight	Leshan	61%	Residential/Carpark/Others	50,302	January-2021	14,759	North of Exiu Lake, Emeishan City, Sichuan Province
2	Zhangjiakou Yuanjun Manting Fangyuan	Zhangjiakou	34%	Residential/Commercial/ Carpark/Ancillary/ Others	170,592	December-2026	90,411	Shalingzi Town, Xuanhua District, Zhangjiakou City, Hebei Province
3	Chengdu Jinxiang Lantai Mansion	Chengdu	2%	Residential/Office/ Commercial/Carpark/ Ancillary/Others	46,473	May-2019	403	No. 1-1, Jinxi Garden, Middle Section of Hengshan Avenue, Xipu Town, Pi County, Chengdu City, Sichuan Province
4	Ya'an Tianrun	Ya'an	51%	Residential/Commercial/ Carpark/Ancillary/ Others	15,530	May-2020	4,380	Chenghou Road, Yucheng District, Ya'an City, Sichuan Province
5	Ya'an Tianlu Bay	Ya'an	34%	Residential/Commercial/ Carpark/Ancillary	70,140	December-2021	52,818	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
6	Shenzhen Tianyu Garden	Shenzhen	50%	Residential/Commercial/ Carpark/Ancillary/ Others	20,652	September-2023	66,746	Northwest of the intersection of Pingan Road and Zhanggui Road, Guanlan Street, Longhua District, Shenzhen City
7	Leshan Hengbang Shuanglin Global Center	Leshan	48%	Residential/Commercial/ Carpark/Ancillary	31,632	June-2021	25,855	The junction of Fenghuang Road and Boyang Road, Central District, Leshan City, Sichuan Province
8	Xichang Nanshan House	Xichang	6%	Residential/Commercial/ Carpark/Ancillary	66,322	January-2024	7,025	Zhangjiatun Village, Xijiao Township, Xichang City, Sichuan Province
9	Emei Lotus Lake	Leshan	40%	Residential/Commercial/ Carpark/Ancillary/ Others	247,377	November-2025	88,379	Shili Village, Shengli Town, Emeishan City; Penggui Village, Guihuaqiao Town, Emeishan City, Sichuan Province

## Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank <sup>(1)</sup> (sq.m.)	Address
10	Nantong Longteng Hua House	Nantong	3%	Residential/Commercial/ Carpark/Ancillary/ Others	125,950	November-2024	8,268	North of Dongxinghu Avenue, Longteng Road, Nantong City, Jiangsu Province
11	Nanchong Tianjing No. 1 District	Nanchong	33%	Residential/Commercial/ Carpark/Ancillary/ Others	51,155	October-2023	48,703	Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province
12	Nanchong Tianjing No. 2 District	Nanchong	33%	Residential/Commercial/ Carpark/Ancillary/ Others	45,567	February-2024	35,730	No. 2021-b-9 Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province
13	Xichang Yueqionghai	Xichang	6%	Residential/Carpark/ Ancillary	65,968	June-2022	6,021	Beside Jianchang Water Town, East Extension Line of Hangtian Road, Xichang City, Sichuan Province
14	Xichang Lantai House Qingyun	Xichang	6%	Residential/Commercial/ Carpark/Ancillary/ Others	16,896	October-2019	29	Chensuo Village, Gaojian Township, Xichang City, Sichuan Province
	Subtotal						<u>449,527</u>	
	Total						<u>12,349,837</u>	

### Note:

- (1) Total GFA of the Group's land bank includes (i) GFA available for sale and total leasable GFA for completed properties, (ii) GFA for properties under development and (iii) GFA for properties held for future development. For projects that are owned by the joint ventures and associates of the Group, the total GFA will be adjusted by our equity interest in the respective project.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2023, the Group derived its revenue from four business lines, namely (i) sale of properties; (ii) commercial property operations; (iii) hotel operations; and (iv) project management.

Revenue of the Group increased by 9.0% from approximately RMB6,442.2 million for the six months ended 30 June 2022 to approximately RMB7,025.0 million for the six months ended 30 June 2023, primarily due to increase in property delivery projects in the first half of 2023. The following table sets forth the details of the Group's total revenue by business line for the periods indicated:

	For the six months ended 30 June			
	2023		2022	
	(RMB'000)	%	(RMB'000)	%
Sale of properties	6,932,925	98.7%	6,363,900	98.8%
Commercial property operations	56,044	0.8%	55,943	0.9%
Hotel operations	25,187	0.4%	14,949	0.2%
Project management	10,877	0.1%	7,361	0.1%
<b>Total</b>	<b>7,025,033</b>	<b>100.0%</b>	<b>6,442,153</b>	<b>100.0%</b>

### Sale of Properties

Revenue from sale of properties of the Group increased by 8.9% from approximately RMB6,363.9 million for the six months ended 30 June 2022 to approximately RMB6,932.9 million for the six months ended 30 June 2023, primarily due to increase in property delivery projects in the first half of 2023.

### Commercial Property Operations

Revenue from commercial property operations of the Group amounted to approximately RMB56.0 million for the six months ended 30 June 2023, which remained stable as compared to the revenue from commercial property operations of the Group in the amount of approximately RMB55.9 million for the six months ended 30 June 2022.

### Hotel Operations

Revenue from hotel operations of the Group increased by 68.5% from approximately RMB14.9 million for the six months ended 30 June 2022 to approximately RMB25.2 million for the six months ended 30 June 2023, primarily due to the hotel market rebounded in 2023 when it was no longer affected by COVID-19 pandemic.



### Project Management

Revenue from project management of the Group increased by 47.8% from approximately RMB7.4 million for the six months ended 30 June 2022 to approximately RMB10.9 million for the six months ended 30 June 2023, primarily due to increase in the Group's project management work.

### COST OF SALES

The Group's cost of sales primarily represents the costs it incurs directly for the property development activities as well as its commercial property, hotel and project management operations. The principal components of cost of sales for property development include cost of properties sold, which represents direct construction costs, land acquisition costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The cost of sales of the Group increased by 11.6% from approximately RMB5,413.5 million for the six months ended 30 June 2022 to approximately RMB6,041.8 million for the six months ended 30 June 2023, which was mainly due to increase in the number of projects delivered during the six months ended 30 June 2023.

### GROSS PROFIT AND GROSS PROFIT MARGIN

As the result of the foregoing, gross profit of the Group was approximately RMB1,028.6 million for the six months ended 30 June 2022, and approximately RMB983.2 million for the six months ended 30 June 2023.

Gross profit margin of the Group were at approximately 14% for the six months ended 30 June 2023 and approximately 16% for the six months ended 30 June 2022, respectively.

### OTHER INCOME

The Group's other income and gains primarily consist of interest income, management consulting service fees, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. The commercial compensation primarily represents (i) liquidated damages the Group received from property purchasers who defaulted on the payments due pursuant to their purchase agreements with the Group; and (ii) liquidated damages the Group received from the Group's property-developer business partners who breached their contracts with the Group.

Other income of the Group amounted to approximately RMB48.5 million for the six months ended 30 June 2023, compared with approximately RMB40.9 million for the six months ended 30 June 2022, representing a slight increase of 18%.

## SELLING AND MARKETING EXPENSES

The Group's selling and marketing expenses mainly include advertising and marketing fees that the Group incurs in connection with the Group's pre-sales of properties, including the commission fees paid to third-party sales agents, as well as advertising and marketing fees incurred in relation to the leasing of the commercial properties the Group operates and manages.

Selling and marketing expenses of the Group increased by 41.3% from approximately RMB334.6 million for the six months ended 30 June 2022 to approximately RMB472.9 million for the six months ended 30 June 2023, which was primarily due to increase in commissions due to higher revenues contributed by third-party sales agents.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses primarily include costs for management and administrative staff.

Administrative expenses of the Group decreased by 15.2% from approximately RMB218.9 million for the six months ended 30 June 2022 to approximately RMB185.6 million for the six months ended 30 June 2023, mainly due to the decrease in the number of the Company's employees of the administrative and management department from 895 as at 30 June 2022 to 490 as at 30 June 2023.

## FAIR VALUE LOSSES ON INVESTMENT PROPERTIES

The Group develops and holds certain commercial areas in our properties on a long-term basis for rental, operating income or capital appreciation.

The Group recorded fair value losses on investment properties in the amount of approximately RMB80 million for the six months ended 30 June 2023, as compared to fair value losses on investment properties in the amount of approximately RMB75.3 million for the six months ended 30 June 2022. The change is primarily due to continued decrease in rentals for certain investment properties in 2023.

## FINANCE COSTS

The Group's finance costs mainly represents the Group's interest expenses on bank and other borrowing as well as interest from a significant financing component of contract liabilities, which is related to the pre-sale deposits the Group received from its customers, less capitalized interest relating to properties under development.

Finance costs of the Group for the six months ended 30 June 2023 was approximately RMB145.1 million, representing a decrease of 22.8% as compared to the same period last year, mainly due to continued decrease in the financing balance (six months ended 30 June 2022: RMB188.0 million).

### SHARE OF PROFITS AND LOSSES OF JOINT VENTURES AND ASSOCIATES

The Group recorded share of profits of joint ventures in the amount of approximately RMB13.9 million for the six months ended 30 June 2023, as compared to share of losses of joint ventures in the amount of approximately RMB37.1 million for the six months ended 30 June 2022. The change is primarily due to some joint ventures realized profits during the six months ended 30 June 2023.

The Group recorded share of losses of associates in the amount of approximately RMB1.6 million for the six months ended 30 June 2022, as compared to share of losses of associates in the amount of approximately RMB3.6 million for the six months ended 30 June 2023.

### INCOME TAX EXPENSE

Income tax expenses represent corporate income tax and LAT payable by the Group's subsidiaries in the PRC.

Income tax expenses of the Group increased by 71.2% from approximately RMB122.7 million for the six months ended 30 June 2022 to approximately RMB210.1 million for the six months ended 30 June 2023, primarily due to the increase in the land value-added tax as a result of the delivery of some high-margin projects during the six months ended 30 June 2023.

### LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2023

As a result of the foregoing, the Group recorded a loss for the period of approximately RMB93.6 million for the six months ended 30 June 2023, as compared to a profit for the period of approximately RMB46.6 million for the six months ended 30 June 2022.

### LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Property development require substantial capital investment for land acquisition and construction, and it may take many months or years before positive cash flow can be generated. As at 30 June 2023, the Group has funded its growth principally from cash generated from operations of the Group and borrowings from banks, and trust and other financings.

Following the continuous expansion of property portfolio of the Group, it is expected the saleable GFA of the Group will continue to increase from which the Group expects to generate additional operating cash. The Group intends to continue to monitor its development and construction schedules, property sales and land acquisition plans based on the cash inflow associated with existing and planned external financing opportunities, including but not limited to the issuance of corporate bonds or other debt offerings and property sales proceeds.

## CASH POSITION

As at 30 June 2023, the Group had cash and bank balances of approximately RMB3,334.3 million (31 December 2022: RMB3,656.9 million), pledged deposits of approximately RMB101.4 million (31 December 2022: RMB126.7 million) and restricted cash of approximately RMB1,003.1 million (31 December 2022: RMB934.3 million).

## INDEBTEDNESS

As at 30 June 2023, the Group had total indebtedness, including interest-bearing bank and other borrowings and lease liabilities, amounted to approximately RMB8,040.8 million (31 December 2022: approximately RMB9,077.1 million), of which RMB5,358.3 million was carried at fixed rates.

The following table sets forth the components of the Group's indebtedness as at the dates indicated:

	<b>As at 30 June 2023 (RMB'000)</b>	As at 31 December 2022 (RMB'000)
<b>Non-current</b>		
Bank loans — secured	<b>3,765,700</b>	3,156,543
Bank loans — unsecured	—	—
Other loans — secured	<b>797,103</b>	1,235,230
Other loans — unsecured	—	—
Non-current portion of lease liabilities	<b>9,094</b>	12,029
<b>Current</b>		
Bank loans — secured	—	—
Other loans — secured	—	—
Other loans (securities) — unsecured	<b>877,482</b>	845,818
Current portion of lease liabilities	<b>6,022</b>	6,101
Current portion of long term bank loans — secured	<b>853,222</b>	2,144,621
Current portion of long term other loans — secured	<b>1,732,139</b>	1,676,712
<b>Total indebtedness</b>	<b>8,040,762</b>	9,077,054

Note:

- (1) Other loans include financing arrangement with trust companies, asset management companies, other financial institutions and other third-party companies.

## Management Discussion and Analysis

The following table sets forth the maturity profiles of bank and other borrowings as at the dates indicated:

	<b>As at 30 June 2023 (RMB'000)</b>	As at 31 December 2022 (RMB'000)
Bank and other borrowings:		
Within one year or on demand	<b>2,585,361</b>	3,821,333
In the second year	<b>2,479,161</b>	2,170,232
In the third to fifth years, inclusive	<b>991,496</b>	1,061,938
Beyond five years	<b>1,092,146</b>	1,159,603
Total	<b>7,148,164</b>	8,213,106

### GEARING RATIO

The net gearing ratio (as calculated by total borrowings, including interest-bearing bank and other borrowings, less cash and bank balances divided by total equity as at the end of the respective period) was approximately 1.12 times as at 30 June 2023 (31 December 2022: approximately 0.99 times). The increase in the net gearing ratio as at 30 June 2023 was mainly due to decrease in net assets.

The Group has no significant concentrations of credit risk in view of its large number of customers. The credit risk of the Group's other financial assets, which mainly comprise restricted cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Directors do not expect any significant losses from non-performance of these counterparties.

### FOREIGN EXCHANGE RISKS

The Group mainly operates its business in the PRC, and substantial all of its revenue and expenses are denominated in Renminbi, while the net proceeds from the Listing is payable in Hong Kong dollars. As at 30 June 2023, among the Group's cash at bank and on hand, RMB0.004 million, RMB0.1 million and RMB0.004 million was denominated in Hong Kong dollars, US dollars and AUD dollars, respectively, such amount was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

## INTEREST RATE RISK

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and use variable rate bank borrowings and other borrowings to manage its interest cost.

## PLEDGE OF ASSETS

As at 30 June 2023, certain of the Group's bank and other borrowings are secured by the pledges of the Group's assets with carrying values of approximately RMB15,207.4 million (31 December 2022: approximately RMB16,119.1 million) which include (i) property, plant and equipment; (ii) land use right; (iii) investment properties; (iv) properties under development; and (v) completed properties held for sale.

## CONTINGENT LIABILITIES

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If the Group fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, the Group does not conduct independent credit checks on its customers but rely on the credit checks conducted by the mortgagee banks.

The following table sets forth the Group's total guarantees as at the dates indicated:

	<b>As at 30 June 2023 (RMB'000)</b>	As at 31 December 2022 (RMB'000)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	<b>16,598,489</b>	15,170,056
Guarantees given to banks and other institutions in connection with facilities granted to related parties and third parties	<b>124,980</b>	124,980
<b>Total</b>	<b>16,723,469</b>	15,295,036

### COMMITMENT

As at 30 June 2023, the Group's capital commitment it had contracted but yet provided for was RMB7,780.5 million, compared with RMB11,677.6 million as at 31 December 2022.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2023, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets as at 30 June 2023.

### EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2023, the Group had 1,074 employees (30 June 2022: 1,154 employees). For the six months ended 30 June 2023, the staff cost recognised as expenses of the Group amounted to RMB119.5 million (30 June 2022: RMB210.45 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include a salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

As required by PRC regulations, the Group make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. When there are employees who leave the scheme prior to becoming fully vested in the contribution, the amount of the forfeited contribution will be used to reduce future contribution payable by the Group.

The Directors and members of the senior management receive compensation from the Group in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans. The Board will review and determine the remuneration and compensation packages of the Directors and senior management, and will receive recommendation from the remuneration committee of the Company which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.



# Corporate Governance and Other Information

## CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Ms. Hou Xiaoping resigned as an executive Director with effect from 5 July 2023.

Save as disclosed above, there are no changes in the directors' information required to be disclosed pursuant to 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules from the date of last annual report to the date of this interim report.

## SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme. The purpose of the Share Option Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the Group's employees, Directors and other selected participants for their contributions to the Group. For details of the Share Option Scheme, please refer to the section headed "Appendix V — Statutory and General Information — D. Other Information — 1. Share Option Scheme" in the Prospectus.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, being 100,000,000 Shares, representing approximately 9.74% of the total number of Shares in issue as at the date of this interim report. Since the date of the adoption of the Share Option Scheme and up to 30 June 2023, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme. As at 1 January 2023 and 30 June 2023, the options available for grant under the Share Option Scheme is 100,000,000 Shares.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2023, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

### (i) interests in shares or underlying shares of the company

<b>Name of Director</b>	<b>Nature of Interest</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Approximate percentage of interest in the Company<sup>(2)</sup></b>
Liu Yuhui <sup>(3)</sup>	Interest in controlled corporations	766,374,000 (L)	74.63%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2023.

- (3) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Enterprise Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies (being Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan) are all deemed to be interested in the total Shares directly held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan. Therefore, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan for the purpose of Part XV of the SFO.

**(ii) interests in shares or underlying shares of the company's associated corporations (long position)**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of Interest</b>	<b>Number of Shares</b>	<b>Percentage of shareholding interest</b>
Liu Yuhui	Jin Sha Jiang	Beneficial owner	1	100.00%
	Yue Lai	Beneficial owner	1	100.00%

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2023, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest/ Capacity	Number of Shares Held <sup>(1)</sup>	Approximate percentage of interest in the Company <sup>(2)</sup>
Mr. Liu Ce <sup>(3)(4)</sup>	Interest in controlled corporation	766,374,000 (L)	74.63%
Yuan Di <sup>(3)(4)</sup>	Beneficial owner	209,088,000 (L)	20.36%
Mr. Liu Haowei <sup>(3)(5)</sup>	Interest of a controlled corporation	766,374,000 (L)	74.63%
Ling Yue <sup>(3)(5)</sup>	Beneficial owner	209,162,250 (L)	20.37%
Ms. Wang Tao <sup>(3)(6)</sup>	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Long Yiqin <sup>(3)(7)</sup>	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Hou Sanli <sup>(3)(8)</sup>	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Lan Tian <sup>(9)</sup>	Interest of spouse	766,374,000 (L)	74.63%
Mr. Liu Yuqi <sup>(10)</sup>	Interest of spouse	766,374,000 (L)	74.63%
Mr. Liu Shan <sup>(11)</sup>	Interest of spouse	766,374,000 (L)	74.63%
Ms. Chen Ao Ao <sup>(12)</sup>	Interest of spouse	766,374,000 (L)	74.63%
Jin Sha Jiang <sup>(3)</sup>	Beneficial owner	232,587,000 (L)	22.65%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2023.

- (3) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Enterprise Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders; (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach a unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies (being Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan) are all deemed to be interested in the total Shares directly held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan. Therefore, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yuan Di, Fan Tai, Jin Sha Jiang, Yue Lai, Ling Yue, Lian Rong, San Jiang Yuan, Fu Sheng and Shan Yuan for the purpose of Part XV of the SFO.
- (4) 209,088,000 and 37,125,000 Shares are held by Yuan Di and Fan Tai, respectively. Yuan Di and Fan Tai are wholly owned by Mr. Liu Ce. By virtue of SFO, Mr. Liu Ce is deemed to be interested in the Shares held by Yuan Di and Fan Tai.
- (5) 209,162,250 and 37,125,000 Shares are held by Ling Yue and Lian Rong, respectively. Ling Yue and Lian Rong are wholly owned by Mr. Liu Haowei. By virtue of SFO, Mr. Liu Haowei is deemed to be interested in the Shares held by Ling Yue and Lian Rong.
- (6) 1,262,250 Shares are held by San Jiang Yuan, which is in turn wholly owned by Ms. Wang Tao. By virtue of SFO, Ms. Wang Tao is deemed to be interested in the Shares held by San Jiang Yuan.
- (7) 1,262,250 Shares are held by Fu Sheng, which is in turn wholly owned by Ms. Long Yiqin. By virtue of SFO, Ms. Long Yiqin is deemed to be interested in the Shares held by Fu Sheng.
- (8) 1,262,250 Shares are held by Shan Yuan, which is in turn wholly owned by Ms. Hou Sanli. By virtue of SFO, Ms. Hou Sanli is deemed to be interested in the Shares held by Shan Yuan.
- (9) Ms. Lan Tian, the spouse of Mr. Liu Ce, is deemed to be interested in all the Shares that Mr. Liu Ce is interested in by virtue of the SFO.
- (10) Mr. Liu Yuqi, the spouse of Ms. Hou Sanli, is deemed to be interested in all the Shares that Ms. Hou Sanli is interested in by virtue of the SFO.
- (11) Mr. Liu Shan, the spouse of Ms. Wang Tao, is deemed to be interested in all the Shares that Ms. Wang Tao is interested in by virtue of the SFO.
- (12) Ms. Chen Ao Ao, the spouse of Mr. Liu Haowei, is deemed to be interested in all the Shares that Mr. Liu Haowei is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2023, no other person, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2023.

## **INTERIM DIVIDEND**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2023.

### COMPLIANCE WITH THE CG CODE

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the CG Code as contained in Part 2 of Appendix 14 to the Listing Rules. Except for the deviation from code provision C.2.1 of the CG Code, the Company's corporate governance practices have complied with the code on corporate governance practices. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu Yuhui is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Liu Yuhui is the founder of the Group and has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Liu Yuhui taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Save for the deviation from code provision C.2.1 of the CG Code, the Board is of the view that the Company has adopted, applied and complied with the CG Code for the six months ended 30 June 2023.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2023.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees for the six months ended 30 June 2023.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities. This normally means that at least 25% of the issuer's total issued shares must at all times be held by the public.

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

## SUBSEQUENT IMPORTANT EVENTS

On 20 August 2023, three indirect wholly-owned subsidiaries of the Company (i.e. Meishan Leading Real Estate Company Limited (眉山領地房地產開發有限公司), Meishan Huarui Real Estate Company Limited (眉山華瑞房地產開發有限公司) and Leading Group), Meishan Hongda Construction Investment Company Limited (眉山宏大建設投資有限責任公司) (“**Meishan Hongda**”), Meishan Development Holding Group Co. Ltd. (眉山發展控股集團有限公司), Meishan Chuanruida Property Development Company Limited (眉山川瑞達房地產開發有限公司) (“**Meishan Chuanruida**”), Meishan Huarui Hongda Real Estate Company Limited (眉山華瑞宏大置業有限公司) (“**Meishan Huarui Hongda**”) and Meishan Haina Property Development Company Limited (眉山海納房地產開發有限公司) (“**Meishan Haina**”) entered into an equity transfer agreement to restructure the seven property projects jointly held by the Group and Meishan Hongda (the “**Proposed Transactions**”), which involves (a) the internal corporate restructuring of Luzhou Fanya Property Development Company Limited (瀘州泛亞房地產開發有限公司), an indirect non wholly-owned subsidiary of the Company, at a consideration of approximately RMB290.24 million and (b) the disposals of the entire equity interest indirectly held by the Company in each of Meishan Chuanruida, Meishan Huarui Hongda and Meishan Haina to Meishan Hongda, each being a non wholly-owned subsidiary of the Company, at an aggregated consideration of approximately RMB810.58 million.

Details of the Proposed Transactions have been disclosed in the announcement of the Company dated 21 August 2023.

## AUDIT COMMITTEE

As at the date of this interim report, the Audit Committee comprised three independent non-executive Directors, namely Ms. Jin Xu, Ms. Liang Yunxing and Mr. Fang Min. The Audit Committee has reviewed the interim report of the Group for the six months ended 30 June 2023. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the unaudited interim results of the Group for the six months ended 30 June 2023.

# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>REVENUE</b>	5	<b>7,025,033</b>	6,442,153
Cost of sales		<b>(6,041,812)</b>	(5,413,521)
<b>Gross profit</b>		<b>983,221</b>	1,028,632
Other income and gains	5	<b>48,480</b>	40,924
Selling and distribution expenses		<b>(472,850)</b>	(334,554)
Administrative expenses		<b>(185,592)</b>	(218,905)
Other expenses		<b>(41,979)</b>	(44,836)
Fair value loss on investment properties		<b>(80,000)</b>	(75,251)
Finance costs	7	<b>(145,051)</b>	(187,970)
Share of profits and losses of:			
Joint ventures		<b>13,874</b>	(37,104)
Associates		<b>(3,603)</b>	(1,598)
<b>PROFIT BEFORE TAX</b>	6	<b>116,500</b>	169,338
Income tax expense	8	<b>(210,102)</b>	(122,732)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(93,602)</b>	46,606
Attributable to:			
Owners of the parent		<b>(250,441)</b>	3,899
Non-controlling interests		<b>156,839</b>	42,707
		<b>(93,602)</b>	46,606
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	10		
Basic and diluted			
— For (loss)/profit for the period		<b>RMB(0.24)</b>	RMB0.00

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Unaudited) RMB'000
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(93,602)</b>	46,606
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>—</b>	—
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(93,602)</b>	46,606
Attributable to:		
Owners of the parent	<b>(250,441)</b>	3,899
Non-controlling interests	<b>156,839</b>	42,707
	<b>(93,602)</b>	46,606



# Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	148,062	164,297
Investment properties	12	3,806,000	3,886,000
Right-of-use assets		51,521	55,711
Other intangible assets		19,293	20,788
Investments in joint ventures		396,391	430,517
Investments in associates		103,331	106,934
Deferred tax assets		1,095,733	1,139,039
Other non-current assets		175,947	215,073
Total non-current assets		<b>5,796,278</b>	6,018,359
<b>CURRENT ASSETS</b>			
Properties under development		26,991,623	30,958,611
Completed properties held for sale		7,352,130	5,424,853
Trade receivables	13	43,051	40,867
Prepayments, other receivables and other assets		4,708,567	5,489,788
Due from related companies	21	1,344,139	1,167,790
Financial assets at fair value through profit or loss		900	3,000
Other current assets		560,317	723,750
Tax recoverable		581,543	540,044
Restricted cash		1,003,071	934,284
Pledged deposits		101,382	126,677
Cash and cash equivalents	14	2,229,800	2,595,964
Total current assets		<b>44,916,523</b>	48,005,628
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	15	7,439,394	6,816,937
Other payables and accruals		4,057,276	3,888,814
Interest-bearing bank and other borrowings	16	2,585,361	3,821,333
Contract liabilities		24,374,014	25,943,890
Lease liabilities		6,022	6,101
Due to related companies	21	597,204	503,720
Tax payable		1,426,124	1,663,925
Senior notes	17	877,482	845,818
Total current liabilities		<b>41,362,877</b>	43,490,538
<b>NET CURRENT ASSETS</b>		<b>3,553,646</b>	4,515,090
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,349,924</b>	10,533,449

## Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	<i>Notes</i>	<b>30 June 2023 (Unaudited) RMB'000</b>	31 December 2022 (Audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	16	<b>4,562,803</b>	4,391,773
Lease liabilities		<b>9,094</b>	12,029
Deferred tax liabilities		<b>599,463</b>	687,907
Total non-current liabilities		<b>5,171,360</b>	5,091,709
Net assets		<b>4,178,564</b>	5,441,740
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	18	<b>8,670</b>	8,670
Reserves		<b>3,485,302</b>	3,735,743
		<b>3,493,972</b>	3,744,413
Non-controlling interests		<b>684,592</b>	1,697,327
Total equity		<b>4,178,564</b>	5,441,740

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the parent							Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 Note 18	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Accumulated losses RMB'000	Other reserve RMB'000			
At 31 December 2022 (audited)	8,670	1,279,392	3,527,224	49,000	819,069	(1,955,713)	16,771	3,744,413	1,697,327	5,441,740
Total comprehensive income for the period	—	—	—	—	—	(250,441)	—	(250,441)	156,839	(93,602)
Capital reduction by non- controlling shareholders	—	—	—	—	—	—	—	—	(1,080,886)	(1,080,886)
Dividend declared to non- controlling shareholders	—	—	—	—	—	—	—	—	(88,688)	(88,688)
At 30 June 2023 (unaudited)	8,670	1,279,392*	3,527,224*	49,000*	819,069*	(2,206,154)*	16,771*	3,493,972	684,592	4,178,564

	Attributable to owners of the parent							Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 Note 18	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Other reserve RMB'000			
At 31 December 2021 (audited)	8,670	1,279,392	3,527,224	35,511	762,980	2,250,264	16,771	7,880,812	2,951,216	10,832,028
Total comprehensive income for the period	—	—	—	—	—	3,899	—	3,899	42,707	46,606
Capital contribution from non- controlling shareholders	—	—	—	12,292	—	—	—	12,292	5,768	18,060
Acquisition of non-controlling interest	—	—	—	1,081	—	—	—	1,081	(4,735)	(3,654)
At 30 June 2022 (unaudited)	8,670	1,279,392*	3,527,224*	48,884*	762,980*	2,254,163*	16,771*	7,898,084	2,994,956	10,893,040

\* As at 30 June 2023, these reserve accounts comprised the total consolidated reserves of RMB3,485,302,000 (30 June 2022: RMB7,889,414,000) in the interim condensed consolidated financial information.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax:		<b>116,500</b>	169,338
Adjustments for:			
Depreciation of property, plant and equipment	6	<b>7,057</b>	16,436
Depreciation of right-of-use assets	6	<b>4,190</b>	4,358
Amortisation of other intangible assets	6	<b>1,820</b>	1,867
Finance costs	7	<b>145,051</b>	187,970
Impairment losses written off for completed properties held for sale	6	<b>(617,387)</b>	(8,604)
Gain on disposal of property, plant and equipment	5	<b>(1,000)</b>	(254)
Gain on disposal of joint ventures and associates	5	<b>—</b>	(6,720)
Loss on disposal of investment properties		<b>—</b>	396
Share of profits and losses of joint ventures and associates		<b>(10,271)</b>	38,702
Changes in fair value of investment properties	12	<b>80,000</b>	75,251
Impairment losses recognised for completed properties held for sale	6	<b>13,297</b>	26,441
Impairment losses recognised for properties under development	6	<b>204,974</b>	—
Impairment losses recognised for other receivables	6	<b>154</b>	—
Interest income	5	<b>(6,028)</b>	(11,592)
		<b>(61,643)</b>	493,589
Decrease in properties under development and completed properties held for sale		<b>3,514,349</b>	3,024,825
Decrease/(increase) in other current assets		<b>163,434</b>	(118,870)
Increase in amounts due from related companies		<b>(1,914)</b>	(2,019)
(Increase)/decrease in restricted cash		<b>(68,787)</b>	55,743
Decrease in pledged deposits		<b>25,295</b>	29,411
(Increase)/decrease in trade receivables		<b>(2,184)</b>	22,953
Decrease in prepayments and other receivables		<b>934,277</b>	423,261
Increase/(decrease) in trade and bills payables		<b>622,457</b>	(1,696,032)
Decrease in other payables and accruals		<b>(72,865)</b>	(197,113)
(Decrease)/increase in contract liabilities		<b>(2,428,059)</b>	1,023,861
Increase in amounts due to related companies		<b>18,958</b>	16,268
Cash generated from operations		<b>2,643,318</b>	3,075,877
Interest received		<b>6,028</b>	11,592
Tax paid		<b>(649,674)</b>	(339,814)
Net cash flows from operating activities		<b>1,999,672</b>	2,747,655

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of items of property, plant and equipment		10,428	1,005
Proceeds from disposal of investment properties		—	19,754
Purchases of items of property, plant and equipment	11	(250)	(10,062)
Purchases of intangible assets		(325)	(523)
Purchases of items of right of use asset		—	18,071
Acquisition of non-controlling interests		—	(3,654)
Purchases of financial assets fair value through profit or loss		—	(136)
Disposals of financial assets at fair value through profit or loss		2,100	—
Disposal of joint venture and associates		—	17,011
Increase in loans to joint ventures and associates		(99,909)	(488,306)
Advances to third parties		(184,719)	(243,295)
Repayment of advances to third parties		214,361	116,386
Net cash used in investing activities		<u>(58,314)</u>	<u>(573,749)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal portion of lease payments		(3,443)	(21,700)
Capital contribution by non-controlling shareholders		—	18,060
Capital reduction by non-controlling shareholders		(1,080,886)	—
New interest-bearing bank and other borrowings raised		15,000	305,004
Repayment of interest-bearing bank and other borrowings		(1,071,342)	(1,934,725)
Repayment of senior notes		—	(182,709)
Interest paid		(289,725)	(454,044)
Advances from third parties		299,364	282,887
Repayment of advances from third parties		(176,490)	(821,876)
Net cash flows used in financing activities		<u>(2,307,522)</u>	<u>(2,809,103)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(366,164)</b>	<b>(635,197)</b>
Cash and cash equivalents at beginning of the period		<u>2,595,964</u>	<u>4,297,980</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<u><b>2,229,800</b></u>	<u><b>3,662,783</b></u>

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

<i>Notes</i>	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Unaudited) RMB'000
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>3,334,253</b>	4,503,415
Less: Restricted cash	<b>1,003,071</b>	722,875
Pledged deposits	<b>101,382</b>	117,757
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	<b>2,229,800</b>	3,662,783
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	<b>2,229,800</b>	3,662,783

# Notes to Interim Condensed Consolidated Financial Information

30 June 2023

## 1. CORPORATE AND GROUP INFORMATION

Leading Holdings Group Limited (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the period, the Group was involved in the following principal activities:

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

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the directors, the investment holding companies of the Company are Yuan Di Capital Limited, Fan Tai Investment Holding Limited, Yue Lai Investment Limited, Jin Sha Jiang Holding Limited, Ling Yue Capital Holding Limited, Lian Rong Capital Limited, San Jiang Yuan Investment Limited, Fu Sheng Capital Limited and Shan Yuan Holdings Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

### Going concern basis

During the six months ended 30 June 2023, the Group recorded a net loss of RMB93,602,000. As at 30 June 2023, the Group’s total bank and other borrowings and senior notes amounted to RMB8,025,646,000, out of which RMB3,462,843,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB2,229,800,000. As at 30 June 2023, the Group had not repaid an aggregate amount of principal and interest of RMB980,564,000 for senior notes due 27 June 2022 and 23 June 2023 according to their scheduled repayment dates, giving rise to certain interest-bearing bank and other borrowings with a total amount of RMB207,140,000 becoming cross-defaulted. In addition, as at 30 June 2023, an aggregate principal amount of RMB495,000,000 for interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates.

## 2. BASIS OF PREPARATION (continued)

### Going concern basis (continued)

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

- a) The Group will appoint financial advisors to assist it with a holistic restructuring of its senior notes, in order to reach a consensual solution with all the stakeholders as soon as practical;
- b) The Group has been actively negotiating with the Group's existing lenders to seek renewal or extension for repayment of the Group's bank and other borrowings;
- c) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- d) The Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- e) The Group has prepared a business strategy plan focusing on the acceleration of the sales of properties;
- f) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- g) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cashflow projections prepared by management, which cover a period of twelve months from 30 June 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2023. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 on a going concern basis.



## 2. BASIS OF PREPARATION (continued)

### Going concern basis (continued)

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures as described above. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- a) successfully completing the holistic restructuring of its senior notes;
- b) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings;
- c) successfully securing project development loans for qualified project development;
- d) successfully obtaining additional new sources of financing as and when needed;
- e) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- f) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively controlling costs and expenses; and
- g) successfully disposing of the Group's equity interests in project development companies when suitable.

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

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also 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.
- (c) 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 did not apply the initial recognition exception and recognised 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.

The adoption of amendments to IAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

30 June 2023

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (d) Amendments to IAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

### 4. OPERATING SEGMENT INFORMATION

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

- |   |   |
|---|---|
| (a) Property development                          | Development and sale of properties and project management |
| (b) Commercial property investment and operations | Property leasing  |
| (c) Hotel operations                              | Hotel operations  |

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

**4. OPERATING SEGMENT INFORMATION** (Continued)

Six months ended 30 June 2023	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment revenue</b>				
Sales to external customers	6,943,802	56,044	25,187	7,025,033
Segment results	237,076	46,914	19,807	303,797
<i>Reconciliation:</i>				
Interest income				4,162
Finance costs				(145,051)
Corporate and other unallocated expenses				(46,408)
Profit before tax from continuing operations				<u>116,500</u>
Six months ended 30 June 2022	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment revenue</b>				
Sales to external customers	6,371,261	55,943	14,949	6,442,153
Segment results	476,133	(33,160)	2,128	445,101
<i>Reconciliation:</i>				
Interest income				11,592
Finance costs				(187,970)
Corporate and other unallocated expenses				(99,385)
Profit before tax from continuing operations				<u>169,338</u>

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 4. OPERATING SEGMENT INFORMATION (Continued)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2023 and 31 December 2022.

	Property development RMB'000 (Unaudited)	Commercial property investment and operations RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment assets</b>				
30 June 2023	39,846,687	10,702,788	120,515	50,669,990
<i>Reconciliation:</i>				
Corporate and other unallocated assets				42,811
Total assets				50,712,801
<b>Segment liabilities</b>				
30 June 2023	39,006,977	7,320,727	188,293	46,515,997
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				18,240
Total liabilities				46,534,237
	Property development RMB'000 (Audited)	Commercial property investment and operations RMB'000 (Audited)	Hotel operations RMB'000 (Audited)	Total RMB'000 (Audited)
<b>Segment assets</b>				
31 December 2022	44,709,687	9,151,902	129,528	53,991,117
<i>Reconciliation:</i>				
Corporate and other unallocated assets				32,870
Total assets				54,023,987
<b>Segment liabilities</b>				
31 December 2022	40,702,695	7,670,444	197,990	48,571,129
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				11,118
Total liabilities				48,582,247

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>	<b>6,968,989</b>	6,386,210
Sale of properties	<b>6,932,925</b>	6,363,900
Hotel operations	<b>25,187</b>	14,949
Project management services	<b>10,877</b>	7,361
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	<b>56,044</b>	55,943
	<b>7,025,033</b>	6,442,153

30 June 2023

**5. REVENUE, OTHER INCOME AND GAINS** (Continued)**Disaggregated revenue information for revenue from contracts with customers**

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Types of goods or services</b>		
Sale of properties	<b>6,932,925</b>	6,363,900
Hotel operations	<b>25,187</b>	14,949
Project management services	<b>10,877</b>	7,361
Total revenue from contracts with customers	<b>6,968,989</b>	6,386,210
<b>Timing of revenue recognition</b>		
Sale of properties transferred at a point in time	<b>6,629,066</b>	5,751,811
Sale of properties transferred over time	<b>303,859</b>	619,450
Services transferred over time	<b>36,064</b>	14,949
Total revenue from contracts with customers	<b>6,968,989</b>	6,386,210
<b>Other income and gains</b>		
Bank interest income	<b>4,162</b>	10,269
Interest income from associates and joint ventures	<b>1,810</b>	1,323
Management consulting service fees charged to joint ventures and associates	<b>16,335</b>	7,665
Government grants	<b>4,064</b>	7,102
Compensation	<b>4,279</b>	5,490
Gain arising on disposal of subsidiaries	<b>14,823</b>	—
Gain arising on disposal of property, plant and equipment	<b>1,000</b>	254
Gain arising on disposal of a joint venture and associates	<b>—</b>	6,720
Interest income from third parties	<b>56</b>	—
Others	<b>1,951</b>	2,101
Total revenue from contracts with customers	<b>48,480</b>	40,924

## 6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cost of inventories sold	6,025,046	5,369,011
Cost of hotel operations	5,380	12,822
Impairment losses recognised for completed properties held for sale	13,297	26,441
Impairment losses written off for completed properties held for sale	(617,387)	(8,604)
Impairment losses recognised for properties under development	204,974	—
Impairment losses recognised for other receivables	154	—
Depreciation of items of property, plant and equipment	7,057	16,436
Amortisation of other intangible assets	1,820	1,867
Depreciation of right-of-use assets and amortisation of prepaid land lease payment	4,190	4,358
Lease payments not included in the measurement of lease liabilities	1,064	1,080
Auditor's remuneration	807	807
Employee benefit expenses (including directors' and chief executives' remuneration):		
Wages and salaries	90,175	141,718
Pension scheme contributions and social welfare	6,445	2,008

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest on bank loans and other loans	362,392	568,901
Interest on pre-sales deposits	858,180	970,300
Total interest expense on financial liabilities not at fair value through profit or loss	1,220,572	1,539,201
Less: Interest capitalised	1,075,521	1,351,231
	145,051	187,970



30 June 2023

## 8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits arising in Hong Kong for the six months ended 30 June 2023 and 2022.

Subsidiaries of the Group operating in Mainland China, except for Tibet Ludi Industrial Co., Ltd. ("**Tibet Ludi**") and Tibet Hengliang Industrial, Co., Ltd. ("**Tibet Hengliang**"), are subject to PRC corporate income tax at a rate of 25% for the period. Tibet Ludi and Tibet Hengliang enjoyed a preferential CIT rate of 15% during the six months ended 30 June 2023 and 2022.

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

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax:		
PRC corporate income tax	152,573	88,477
PRC LAT	102,667	51,090
Deferred tax	(45,138)	(16,835)
Total tax charge for the period	<b>210,102</b>	122,732

## 9. DIVIDENDS

The Board has resolved not to declare any dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,026,945,000 (six months ended 30 June 2022: 1,026,945,000) shares in issue during the period.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the periods.

The calculation of the basic and diluted (loss)/earnings per share amount is based on:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>(Loss)/earnings</b>		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	<b>(250,441)</b>	3,899
	<b>Number of shares</b>	
	<b>2023</b>	2022
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earnings per share calculation	<b>1,026,945,000</b>	1,026,945,000

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment at a total cost of RMB250,000 (30 June 2022: RMB10,062,000).

Certain of the Group's property, plant and equipment with a net book value of RMB9,428,000 were disposed of by the Group during the six months ended 30 June 2023 (30 June 2022: RMB751,000), resulting in a net gain on disposal of RMB1,000,000 (30 June 2022: RMB254,000).

As at 30 June 2023, certain of the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB90,396,000 (31 December 2022: RMB90,396,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

30 June 2023

**12. INVESTMENT PROPERTIES**

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<i>RMB'000</i>
Carrying amount at 1 January (Audited)	<b>3,886,000</b>	4,337,400
Disposal	—	(20,149)
Net loss from a fair value adjustment	<b>(80,000)</b>	(75,251)
Carrying amount at 30 June (Unaudited)	<b>3,806,000</b>	4,242,000

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 30 June 2023 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), an independent professionally qualified valuer, at RMB3,806,000,000 (30 June 2022: RMB4,242,000,000) on an open market, existing use basis.

The fair value of completed investment properties is determined by the income capitalisation method by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

Investment properties included in Level 3 are all completed investment properties. During the six months ended 30 June 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (30 June 2022: Nil).

As at 30 June 2023, certain of the Group's investment properties with an aggregate carrying amounts of approximately RMB2,156,017,000 as at 30 June 2023 (31 December 2022: RMB2,199,346,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

### 13. TRADE RECEIVABLES

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

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Less than 1 year	<b>40,257</b>	38,766
Over 1 year	<b>2,794</b>	2,101
	<b>43,051</b>	40,867

### 14. CASH AND BANK BALANCES

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Cash and bank balances	<b>3,334,253</b>	3,656,925
Less: Restricted cash	<b>1,003,071</b>	934,284
Pledged deposits	<b>101,382</b>	126,677
Cash and cash equivalents	<b>2,229,800</b>	2,595,964
Denominated in RMB	<b>2,229,672</b>	2,595,831
Denominated in HK\$	<b>4</b>	4
Denominated in US\$	<b>120</b>	125
Denominated in AUD\$	<b>4</b>	4
	<b>2,229,800</b>	2,595,964

In accordance with relevant government requirements, certain property development companies of the Group are required to place, in designated bank accounts, a certain amount of pre-sale proceeds as guarantee deposits for the constructions of the related properties. The restricted cash can only be used for payments for construction costs of the relevant properties when approval from the related government authority is obtained. Such restricted cash will be released after the completion of construction of the related properties. As at 30 June 2023, such restricted cash amounted to RMB951,912,000 (31 December 2022: RMB861,529,000). As at 30 June 2023, the restricted cash amounting to RMB51,159,000 was frozen by the People's Court due to lawsuits (31 December 2022: RMB72,755,000). As at 30 June 2023, bank deposits of RMB101,382,000 were pledged as security for purchasers' mortgage loans (31 December 2022: RMB126,677,000).

30 June 2023

**14. CASH AND BANK BALANCES** (Continued)

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

**15. TRADE AND BILLS PAYABLES**

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

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Less than 1 year	<b>6,930,397</b>	6,373,813
Over 1 year	<b>508,997</b>	443,124
	<b>7,439,394</b>	6,816,937

**16. INTEREST-BEARING BANK AND OTHER BORROWINGS**

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Current</b>		
Current portion of long-term bank loans — secured	<b>853,222</b>	2,144,621
Current portion of long-term other loans — secured	<b>1,732,139</b>	1,676,712
	<b>2,585,361</b>	3,821,333

**16. INTEREST-BEARING BANK AND OTHER BORROWINGS** (Continued)

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Non-current</b>		
Bank loans — secured	<b>3,765,700</b>	3,156,543
Other loans — secured	<b>797,103</b>	1,235,230
	<b>4,562,803</b>	4,391,773
	<b>7,148,164</b>	8,213,106
<b>Analysed into:</b>		
Bank and other borrowings:		
Repayable within one year or on demand	<b>2,585,361</b>	3,821,333
Repayable in the second year	<b>2,479,161</b>	2,170,232
Repayable in the third to fifth years, inclusive	<b>991,496</b>	1,061,938
Repayable beyond five years	<b>1,092,146</b>	1,159,603
	<b>7,148,164</b>	8,213,106

Certain of the Group's bank and other borrowings are secured by the pledges of the assets with carrying values at the end of the reporting period as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Properties under development	<b>12,901,061</b>	13,789,986
Investment properties	<b>2,156,017</b>	2,199,346
Completed properties held for sale	<b>21,729</b>	21,728
Property, plant and equipment	<b>90,396</b>	90,396
Land use right	<b>38,212</b>	17,620

As at 30 June 2023, certain of the Group's bank and other borrowings with an aggregate amount of RMB4,210,438,000 were secured by share charges in respect of the equity interests of certain subsidiaries of the Group (31 December 2022: RMB4,909,785,000).

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 17. SENIOR NOTES

	30 June 2023 (Unaudited)				31 December 2022 (Audited)			
	Principal at original currency	Contractual interest rate	Maturity	RMB'000	Principal at original currency	Contractual interest rate	Maturity	RMB'000
	US\$'000	(%)			US\$'000	(%)		
Senior notes due 2022 ("2022 notes I")	2,966	12.0	2022.6.27	21,432	2,966	12.0	2022.6.27	20,657
Senior notes due 2023 ("2023 notes I")	119,430	12.0	2023.6.23	856,050	119,430	12.0	2023.6.23	825,161
Less: Current portion				877,482				845,818
Non-current portion				—				—

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
The Group's senior notes were repayable as follows:		
Repayable within one year	877,482	845,818

As at 30 June 2023, the Group had not repaid an aggregate amount of principal and interest of RMB980,564,000 for senior notes due 27 June 2022 and 23 June 2023 according to their scheduled repayment dates.

### 18. SHARE CAPITAL

#### Shares

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Issued and fully paid:		
1,026,945,000 (2022: 1,026,945,000) ordinary shares of HK\$0.01 each (2022: HK\$0.01 each)	8,670	8,670

## 19. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the interim condensed consolidated financial information were as follows:

	<i>Notes</i>	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	(1)	<b>16,598,489</b>	15,170,056
Guarantees given to banks and other institutions in connection with facilities granted to related parties	(2)	<b>124,980</b>	124,980

*Notes:*

- (1) The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans. Upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors of the Company considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore, no provision has been made in connection with the guarantees.

- (2) The Group provided guarantees to banks and other institutions in connection with borrowings made to the related companies. The directors of the Company consider that no provision is needed in respect of the guarantees since the fair value is not significant. Further details are included in note 21(2).



30 June 2023

## 20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Contracted, but not provided for:		
Property development activities	<b>7,577,171</b>	11,474,314
Capital contributions to joint ventures	<b>203,309</b>	203,309
	<b>7,780,480</b>	11,677,623

## 21. RELATED PARTY TRANSACTIONS

### (1) Significant related party transactions

The following non-operating transactions were carried out with related parties during the reporting period:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Advances from related companies:		
Joint ventures	<b>110,800</b>	30,962
Associates	<b>54,396</b>	—
Repayment of advances from related companies:		
Joint ventures	<b>83,729</b>	119,165
Associates	<b>6,941</b>	—
Advances to related companies:		
Joint ventures	<b>124,238</b>	74,251
Associates	<b>1,370,383</b>	566,551
Repayment of advances to related companies:		
Joint ventures	<b>13,221</b>	145,524
Associate	<b>1,306,965</b>	95,174
Shareholders	<b>—</b>	1

## 21. RELATED PARTY TRANSACTIONS (continued)

### (1) Significant related party transactions (continued)

The following operating transactions were carried out with related parties during the reporting period:

	For the six months ended	
	30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income from companies controlled by the then parent company and/or the controlling shareholders* (Note 1)	215	1,707
Property management fee to companies controlled by the controlling shareholder* (Note 1)	49,347	71,343
Management consulting service income from joint ventures and associates* (Note 1)	16,335	7,665
Project management fee to companies controlled by the then parent company* (Note 1)	215	8,318
Raw materials purchased from companies controlled by certain directors and/or their close family members* (Note 1)	108	37
Interest income from joint ventures and associates (Note 1)	1,810	1,323

Note 1: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties incurred.

\* The related party transactions above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

### (2) Other transactions with related parties

As at 30 June 2023, the Group has guaranteed certain of the bank and other borrowings made to its joint ventures up to RMB124,980,000 (31 December 2022: RMB124,980,000).

30 June 2023

**21. RELATED PARTY TRANSACTIONS (continued)****(3) Outstanding balances with related parties**

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Balances relating to non-operating activities</b>		
<b>Due from related companies:</b>		
Due from associates	<b>438,322</b>	374,904
Due from joint ventures	<b>893,349</b>	782,332
<b>Due to related companies:</b>		
Due to joint ventures	<b>263,078</b>	236,006
Due to associates	<b>158,972</b>	111,519
<b>Balances relating to operating activities</b>		
<b>Due from related companies:</b>		
Due from joint ventures	<b>8,172</b>	8,172
Due from companies controlled by the then parent company	<b>4,296</b>	2,382
<b>Due to related companies:</b>		
Due to companies controlled by the then parent company	<b>4,578</b>	4,401
Due to companies controlled by the controlling shareholders	<b>170,281</b>	150,811
Due to companies controlled by certain directors and/or their close family members	<b>295</b>	983

Balances with the above related parties were unsecured, non-interest-bearing and repayable on demand.

**(4) Compensation of key management personnel of the Group**

	<b>For the six months ended 30 June</b>	
	<b>2023 RMB'000 (Unaudited)</b>	2022 RMB'000 (Unaudited)
Short-term employee benefits	<b>2,578</b>	3,646
Pension scheme contributions	<b>156</b>	299
Total compensation paid to key management personnel	<b>2,734</b>	3,945

## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of the reporting period, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
<b>Financial liabilities</b>				
Interest-bearing bank and other borrowings (note 16)	7,148,164	8,213,106	7,140,491	8,259,456
Senior notes (note 17)	877,482	845,818	237,142	228,585
	<b>8,025,646</b>	9,058,924	<b>7,377,633</b>	8,488,041

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, amounts due from related companies, trade receivables, financial assets included in prepayments and other receivables, trade and bills payables, senior notes, financial liabilities included in other payables and accruals and amounts due to related companies approximate to their carrying amounts largely due to the short term maturities of these instruments.

For the fair values of the financial assets at fair value through profit or loss, management has estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors twice a year for interim and annual financial reporting.

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities.

The Group invests wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair value by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks and classified them into Level 2 financial instruments.

### 23. EVENTS AFTER REPORTING PERIOD

On 20 August 2023, three indirect wholly-owned subsidiaries of the Company, Meishan Hongda Construction Investment Company Limited (“**Meishan Hongda**”), Meishan Development Holding Group Co. Ltd., Meishan Chuanruida Property Development Company Limited, Meishan Huarui Hongda Real Estate Company Limited and Meishan Haina Property Development Company Limited entered into the equity transfer agreement to restructure the seven property projects jointly held by the Group and Meishan Hongda, which involves the internal corporate restructuring of an indirect non wholly-owned subsidiary at a consideration of approximately RMB290.24 million and the disposals of the entire equity interest indirectly held by the Company in three non-wholly-owned subsidiaries of the Company to Meishan Hongda at an aggregated consideration of approximately RMB810.58 million.

### 24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 30 August 2023.