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TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

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

INTERIM RESULTS HIGHLIGHTS

- Contracted sales for the Period of RMB4.291 billion, representing a decrease of 54.5% as compared with the corresponding period in 2023; Average contracted sales price of RMB12,733 per square meter (“sq.m.”), representing a decrease of 22.9% as compared with the corresponding period in 2023;
- Revenue for the Period of RMB6,091.0 million, representing a decrease of 38.7% as compared with the corresponding period in 2023;
- Loss for the Period of RMB2,831.4 million, representing an increase of 100.9% as compared with the corresponding period in 2023;
- Loss attributable to the owners of the Company for the Period of RMB3,017.9 million, representing an increase of RMB1,328.4 million as compared to the loss attributable to the owners of the Company for the period for the corresponding period in 2023; and
- During the Period, the Group effectively managed the costs and controlled the expenses and expenditures.

RESULTS

The board (the “Board”) of directors (the “Directors”) of Times China Holdings Limited (“Times China” or the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “Period”), together with the comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
REVENUE	5	6,091,008	9,932,209
Cost of sales		(5,553,721)	(9,172,267)
GROSS PROFIT		537,287	759,942
Other income and gains	5	117,527	127,793
Selling and marketing costs		(131,754)	(183,243)
Administrative expenses		(220,771)	(309,315)
Other expenses		(2,322,334)	(899,967)
Finance costs	7	(581,160)	(552,505)
Share of losses of associates and joint ventures		(58,093)	(72,277)
LOSS BEFORE TAX	6	(2,659,298)	(1,129,572)
Income tax expense	8	(172,064)	(280,103)
LOSS FOR THE PERIOD		(2,831,362)	(1,409,675)
Attributable to:			
Owners of the Company	10	(3,017,883)	(1,689,480)
Non-controlling interests		186,521	279,805
		(2,831,362)	(1,409,675)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted – loss for the period	10	RMB(144) cents	RMB(80) cents
LOSS FOR THE PERIOD		(2,831,362)	(1,409,675)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive loss of a joint venture		10,058	(32,038)
Exchange differences on translation of foreign operations		(152,827)	(717,541)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(142,769)	(749,579)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Gains on property revaluation		31,339	–
Net loss on equity investments designated at fair value through other comprehensive loss		(3,232)	(25,240)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		28,107	(25,240)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(114,662)	(774,819)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,946,024)	(2,184,494)
Attributable to:			
Owners of the Company		(3,132,545)	(2,464,299)
Non-controlling interests		186,521	279,805
		(2,946,024)	(2,184,494)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	30 June 2024	31 December 2023
<i>Note</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	627,746	770,355
Inventories of properties	458,258	458,258
Right-of-use assets	55,836	79,161
Investment properties	8,511,961	8,420,554
Goodwill	60,465	60,465
Other intangible assets	154,981	169,211
Interests in joint ventures	9,409,336	10,461,674
Interests in associates	2,401,477	2,390,158
Equity investments designated at fair value through other comprehensive income	218,900	223,594
Deferred tax assets	1,633,448	1,769,244
Prepayments, deposits and other receivables	2,331,618	2,333,587
	25,864,026	27,136,261
CURRENT ASSETS		
Inventories of properties	60,531,980	62,905,315
Trade receivables	933,137	847,016
Contract assets	76,523	75,253
Contract costs	735,039	774,459
Prepayments, deposits and other receivables	17,175,612	17,964,729
Amounts due from joint ventures	3,379,214	4,154,306
Amounts due from associates	386,301	371,716
Tax prepayments	2,614,692	2,906,014
Restricted bank deposits	1,828,877	2,239,264
Cash and cash equivalents	1,541,204	1,732,847
	89,202,579	93,970,919

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2024

		30 June 2024	31 December 2023
	<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	7,781,937	8,201,955
Other payables and accruals		17,477,376	16,731,293
Contract liabilities		10,440,921	13,945,900
Amounts due to joint ventures		5,902,100	5,856,989
Amounts due to associates		2,371,779	2,357,025
Amount due to the immediate holding company		499,242	496,686
Interest-bearing bank and other borrowings and interest payable		31,733,869	27,775,290
Lease liabilities		36,840	13,252
Tax payable		10,996,936	11,164,743
		87,241,000	86,543,133
Total current liabilities			
		1,961,579	7,427,786
NET CURRENT ASSETS			
		1,961,579	7,427,786
TOTAL ASSETS LESS CURRENT LIABILITIES			
		27,825,605	34,564,047
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings and interest payable		15,449,013	19,211,043
Other long-term payables		142	5,034
Lease liabilities		2,976,783	2,963,946
Deferred tax liabilities		1,687,983	1,726,316
		20,113,921	23,906,339
Total non-current liabilities			
		7,711,684	10,657,708
Net assets			
		7,711,684	10,657,708
EQUITY			
Equity attributable to owners of the Company			
Share capital		167,656	167,656
Reserves		(2,666,818)	465,727
		(2,499,162)	633,383
Non-controlling interests		10,210,846	10,024,325
		7,711,684	10,657,708
Total equity			
		7,711,684	10,657,708

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2024, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiatic Enterprises Ltd., which was incorporated in the British Virgin Islands (the "BVI") and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in the BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2013.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standard ("IAS") 34 Interim Financial Reporting.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

Going concern basis

The Group recorded a loss attributable to the owners of the Company of RMB3,017,883,000 for the six months ended 30 June 2024. As at 30 June 2024, the Group's total bank and other borrowings amounted to RMB45,944,794,000, out of which RMB31,121,495,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB1,541,204,000. As at 30 June 2024, the Group was in default of borrowings (the "Defaulted Borrowings") with principal amount totaling RMB22,343,901,000 and interest totaling RMB2,529,338,000 because of non-payment at their respective due dates. Such default events also triggered cross-defaults of certain bank and other borrowings with an aggregate amount of RMB228,800,000 (the "Cross Defaulted Borrowings").

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 have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (i) the Group has appointed a financial adviser to assist it with a restructuring of its senior notes and corporate bonds, in order to reach a consensual solution with all the stakeholders as soon as practicable.
- (ii) the Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings.
- (iii) the Group will continue to implement measures to accelerate the sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables.
- (iv) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.
- (v) the Group will continue to seek opportunities to dispose its assets or urban redevelopment projects.

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

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

- (i) successful and timely completion of the restructuring of the Group's Defaulted Borrowings and the Group's ability to continue complying with the terms and conditions in the respective loan restructuring agreements.
- (ii) successfully negotiating with the Group's existing lenders for the Defaulted Borrowings and Cross Defaulted Borrowings and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings.
- (iii) successfully negotiating with the borrowers for the renewal or extension for repayment of the Group's bank and other borrowings.
- (iv) the Group's ability to accelerate the sales of properties and urban redevelopment projects by carrying out the Group's business strategy plan and to accelerate the collection of outstanding sales proceeds.
- (v) successful and timely implementation of the plans to dispose of certain of its other assets, such as lands, equity interests in project development companies and timely collection of the proceeds.

Should the Group fail to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's 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 effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The adoption of the above revised IFRSs has had no significant financial effect on the interim condensed consolidated financial information and there have been no significant changes to the accounting policies applied in the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

The property development projects undertaken by the Group during the six months ended 30 June 2024 are all located in Mainland China.

Six months ended 30 June 2024	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	5,752,900	–	338,108	–	6,091,008
Intersegment sales	–	–	12,678	(12,678)	–
	<u>5,752,900</u>	<u>–</u>	<u>350,786</u>	<u>(12,678)</u>	<u>6,091,008</u>
Segment results	59,042	(27,188)	496	–	32,350

Reconciliation:

Bank interest income					11,467
Unallocated corporate expenses					(40,149)
Finance costs (other than interest on lease liabilities)					(455,687)
Share of losses of associates and joint ventures					(58,093)
Impairment loss of interests in joint ventures					(1,002,547)
Impairment loss on amounts due from joint ventures					(363,900)
Loss on change from a joint venture to a subsidiary					(782,739)
Loss before tax					<u>(2,659,298)</u>

Six months ended 30 June 2023	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	9,014,740	619,511	297,958	–	9,932,209
Intersegment sales	–	66,272	16,701	(82,973)	–
	<u>9,014,740</u>	<u>685,783</u>	<u>314,659</u>	<u>(82,973)</u>	<u>9,932,209</u>
Segment results	(78,404)	251,163	35,455	–	208,214

Reconciliation:

Bank interest income					27,357
Unallocated corporate expenses					(76,989)
Finance costs (other than interest on lease liabilities)					(445,708)
Share of losses of associates and joint ventures					(72,277)
Impairment loss of interests in joint ventures					(747,065)
Loss on deregistration of joint ventures and disposal of an associate					(23,104)
Loss before tax					<u>(1,129,572)</u>

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

As at 30 June 2024	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	74,996,789	7,106,908	9,526,946	91,630,643
<i>Reconciliation:</i>				
Unallocated assets				<u>23,435,962</u>
Total assets				<u>115,066,605</u>

As at 31 December 2023

(Audited)

Segment assets	78,245,618	7,033,175	9,554,153	94,832,946
<i>Reconciliation:</i>				
Unallocated assets				<u>26,274,234</u>
Total assets				<u>121,107,180</u>

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

As at 30 June 2024	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	30,339,591	2,100,988	3,820,851	36,261,430
<i>Reconciliation:</i>				
Unallocated liabilities				<u>71,093,491</u>
Total liabilities				<u>107,354,921</u>

As at 31 December 2023

(Audited)

Segment liabilities	33,779,650	2,263,857	3,831,025	39,874,532
<i>Reconciliation:</i>				
Unallocated liabilities				<u>70,574,940</u>
Total liabilities				<u>110,449,472</u>

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	5,752,900	9,634,251
<i>Revenue from other sources</i>		
Gross rental income from:		
Leases of self-owned properties	63,345	65,805
Subleases of leased properties	274,763	232,153
	6,091,008	9,932,209

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	Property development
	RMB'000
Types of goods or services	
Sale of properties	5,752,900
Total revenue from contracts with customers	5,752,900
Geographical market	
Mainland China	5,752,900

For the six months ended 30 June 2023

Segments	Property development	Urban redevelopment business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services			
Sale of properties	9,014,740	–	9,014,740
Urban redevelopment income	–	619,511	619,511
	9,014,740	619,511	9,634,251
Total revenue from contracts with customers	9,014,740	619,511	9,634,251
Geographical market			
Mainland China	9,014,740	619,511	9,634,251
	9,014,740	619,511	9,634,251

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

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<i>Other income</i>		
Bank interest income	11,467	27,357
Management fee income	708	994
Compensation income	9,546	15,675
Government grant income	1,541	2,225
Consultation fee income	–	10,227
Others	29,071	32,136
	52,333	88,614
<i>Gains, net</i>		
Gain on disposal of a land held for development	40,794	28,364
Foreign exchange gain, net	24,400	–
Gain on disposal of financial assets at fair value through other comprehensive income	–	9,961
Fair value gains on self-owned investment properties	–	854
	65,194	39,179
	117,527	127,793

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold	5,385,158	8,657,900
Cost of urban redevelopment business	–	365,052
Direct operating expenses (including repairs and maintenance) arising on leasing of self-owned properties	22,383	13,767
Cost of subleasing of leased properties	146,180	135,548
Depreciation of property, plant and equipment	50,866	44,662
Depreciation of right-of-use assets	22,785	29,573
Amortisation of other intangible assets	16,496	15,457
Changes in fair value of self-owned investment properties	4,623	(854)
Changes in fair value of sub-leased investment properties	50,184	38,699
Employee benefit expense (including Directors' remuneration):		
Wages and salaries	167,074	240,605
Pension scheme contributions	7,905	21,306
Less: Amount capitalised in properties under development	(87,023)	(184,273)
	87,956	77,638
Lease payments not included in the measurement of lease liabilities	3,574	2,545
Foreign exchange (gain)/loss, net	(24,400)	83,964
Gain on disposal of a land held for development	(40,794)	(28,364)
Impairment loss of interests in joint ventures	1,002,547	747,065
Impairment loss on amounts due from joint ventures	363,900	–
Loss on change from a joint venture to a subsidiary	782,739	–
Loss on disposal of an associate	–	20,613
Loss on deregistration of joint venture	–	2,491
Write-down of inventories of properties to net realisable value	154,520	–

7. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expense	1,764,466	1,685,753
Interest on lease liabilities	125,473	106,797
Total interest expense on financial liabilities not at fair value through profit or loss	1,889,939	1,792,550
Less: Interest capitalised	(1,308,779)	(1,240,045)
	581,160	552,505

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the entities of the Group which were incorporated in the Cayman Islands and the BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the current and prior period.

PRC corporate income tax (“CIT”)

The Group’s income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both reporting periods, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group’s PRC subsidiaries enjoyed a preferential CIT rate of 15% during both reporting periods.

PRC land appreciation tax (“LAT”)

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in profit or loss as income tax expense.

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current:		
CIT	49,777	279,223
LAT	38,119	(274,941)
Deferred	84,168	275,821
Total tax charge for the period	<u>172,064</u>	<u>280,103</u>

9. DIVIDENDS

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

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

The calculation of the basic loss per share amount is based on the loss attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 2,101,816,000 (six months ended 30 June 2023: 2,101,816,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company (<i>RMB'000</i>)	<u>(3,017,883)</u>	<u>(1,689,480)</u>
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u>2,101,816</u>	<u>2,101,816</u>
Basic and diluted loss per share (<i>RMB cents per share</i>)	<u>(144)</u>	<u>(80)</u>

11. TRADE RECEIVABLES

Trade receivables mainly arise from sales of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by government or customer in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in accordance with contracts.

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade receivables	946,198	869,658
Impairment	(13,061)	(22,642)
	<u>933,137</u>	<u>847,016</u>

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

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 6 months	544,601	535,308
7 to 12 months	223,967	26,582
Over 1 year	164,569	285,126
	<u>933,137</u>	<u>847,016</u>

12. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 year	3,534,741	5,420,785
Over 1 year	4,247,196	2,781,170
	<u>7,781,937</u>	<u>8,201,955</u>

The trade and bills payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

BUSINESS REVIEW

Overview

For the six months ended 30 June 2024, the Group recorded a revenue of RMB6,091.0 million, representing a decrease of 38.7% when compared with the six months ended 30 June 2023. Loss for the Period amounted to RMB2,831.4 million for the six months ended 30 June 2024, representing an increase of RMB1,421.7 million as compared to the loss for the period for the six months ended 30 June 2023. Core net loss for the six months ended 30 June 2024 (net loss less changes in fair value of self-owned investment properties, and net of the impact of the related deferred tax) was RMB2,827.9 million, representing an increase of RMB1,417.6 million from the core net loss for the six months ended 30 June 2023. Loss attributable to the owners of the Company for the six months ended 30 June 2024 was RMB3,017.9 million, representing an increase of RMB1,328.4 million as compared to the loss attributable to the owners of the Company for the six months ended 30 June 2023. Basic and diluted loss per share for the six months ended 30 June 2024 was RMB144 cents (basic and diluted loss per share for the six months ended 30 June 2023: RMB80 cents).

Property Development

The Group focuses on the major core cities in the Pearl River Delta region. As at 30 June 2024, the Group had 136 major projects in various stages in total, including 124 projects in major cities of Guangdong Province, namely Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, 6 projects in Changsha, Hunan Province, 1 project in Wuhan, Hubei Province, 2 projects in Chengdu, Sichuan Province, 2 projects in Hangzhou Area, Zhejiang Province and 1 project in Nanjing, Jiangsu Province. For the six months ended 30 June 2024, the Group's contracted sales⁽¹⁾ amounted to approximately RMB4.291 billion with a total GFA of approximately 337,000 sq.m. The Group focuses in its projects on peripheral facilities, seeking to enrich customers' experience in arts and to fulfill needs of the middle to upper class households.

Note (1): Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for the six months ended 30 June 2024:

Project	Number of projects available for sale	Aggregate sales area this year (sq.m.)	Aggregate sales amount this year (RMB million)	Aggregate average sales price this year (RMB/sq.m.)
Guangzhou	21	54,000	1,050	19,444
Foshan	19	77,800	1,182	15,193
Changsha	7	30,500	335	10,984
Dongguan	7	37,500	380	10,133
Qingyuan	5	49,300	407	8,256
Zhuhai	3	3,400	61	17,941
Zhongshan	4	18,600	151	8,118
Huizhou	6	21,000	197	9,381
Chengdu	1	100	2	20,000
Zhaoqing	1	3,100	23	7,419
Jiangmen	5	27,400	263	9,599
Heyuan	1	600	4	6,667
Shanwei	1	700	5	7,143
Nanjing	1	6,400	108	16,875
Hangzhou Area	2	6,600	123	18,636
Total	84	337,000	4,291	12,733

Urban Redevelopment Business

During the Period, the Group had no income from urban redevelopment business.

Properties for Leasing and Sub-leasing

As at 30 June 2024, the Group held a GFA of approximately 40,949 sq.m. and 223 car parking spaces at Times Property Center, a GFA of approximately 37,567 sq.m. and 242 car parking spaces at Block No. 26 of Times King City (Zhongshan), and a GFA of approximately 64,800 sq.m. at Times E-PARK (Tianhe) Phase II for rental purposes, and a GFA for Guangzhou Times Commercial Management Co., Ltd. and its subsidiaries for sub-leasing purposes of approximately 883,154 sq.m. For the six months ended 30 June 2024, the Group's rental income amounted to RMB338.1 million, accounting for 5.6% of its total revenue.

Land Reserves

As at 30 June 2024, the Group had total land reserves of approximately 12.8 million sq.m., which the Group believes will be sufficient to support its development need for the next two to three years. The table below sets forth the information on land reserves in major cities where the Group has established footholds:

Region	Total land reserves	
	(sq.m.)	(%)
Guangzhou	2,691,019	21.0
Qingyuan	2,543,595	19.9
Foshan	1,985,239	15.5
Huizhou	1,040,582	8.1
Jiangmen	1,177,095	9.2
Changsha	715,959	5.6
Dongguan	579,383	4.5
Zhongshan	204,992	1.6
Zhuhai	339,276	2.7
Zhaoqing	693,140	5.4
Wuhan	284,027	2.2
Chengdu	118,224	0.9
Heyuan	53,783	0.4
Hangzhou Area	211,665	1.7
Shantou	46,438	0.4
Shanwei	61,139	0.5
Nanjing	56,857	0.4
Total	12,802,413	100.0

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 30 June 2024⁽¹⁾:

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	1,728	31,178	-	-	99
Ocean Times	Residential and commercial	2011-2015	354,156	4,842	22,764	-	-	91
Yun Du Hui	Apartment and commercial	2015	17,480	-	38	-	-	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	-	6,019	-	-	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	-	67,913	-	-	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	5	67,047	-	-	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	-	1,007	-	-	100
Times Cloud Port (Huadu)	Residential and commercial	2020	29,959	-	9,630	-	-	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	1,046	9,201	-	-	100
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	4,602	332	-	-	95
B2-2 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2019	61,145	4,271	54,860	-	-	100
B2-1 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,075	74,084	-	-	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	145	8,517	-	-	100
Project of Shigang Road, Haizhu District	Residential and commercial	2022-2023	20,211	-	44,871	-	-	100
Times Fairy Land	Residential and commercial	2019	20,076	2,466	17,483	-	-	91
Times Fortune	Residential and commercial	2018	20,177	203	33,356	-	-	100
Times The Shore	Residential and commercial	2020	53,985	108	28,238	-	-	100
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	-	33,324	-	-	87
Times King City (Sino-Singapore)	Residential and commercial	2020-2021	90,976	58,491	137,500	-	-	100
Times King City (Sino-Singapore)	Residential and commercial	2027-2028	31,509	-	-	98,138	52,970	100

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	53,292	154,595	129,048	64,404	51
Times Yunlai (Guangzhou)	Residential and commercial	2021-2024	67,695	53,351	79,036	–	9,998	100
Times Realm (Guangzhou)	Residential and commercial	2022-2023	44,995	8,034	55,174	–	–	100
Times Impression (Guangzhou)	Residential and commercial	2021-2026	102,948	7,287	112,707	162,085	27,700	75
Times Classic (Zengcheng)	Residential and commercial	2021-2025	77,530	12,920	7,029	70,250	84,899	75
Times Horizon (Huangpu)	Residential and commercial	2023-2027	100,321	16,935	21,636	208,585	136,978	70
Times Flourism (Huangpu)	Residential and commercial	2022-2023	23,467	3,821	32,215	–	–	100
Times Rhythm (Guangzhou)	Residential and commercial	2022-2024	110,168	9,769	–	74,328	79,884	50
Golden Field Yuefu	Residential and commercial	2021-2025	33,321	4,957	29,330	23,935	9,884	50
Times Realm (Huadu)	Residential and commercial	2024-2025	20,819	–	–	41,075	25,426	69
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	259	24,675	–	–	100
Times City (Foshan)	Residential and commercial	2010-2017	505,776	10,030	86,265	–	–	100
Times City (Foshan) Phases V, VI	Residential and commercial	2016	12,860	–	5,665	–	–	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	68	–	–	–	91
Goden Lotus (Foshan)	Residential and commercial	2017	20,464	–	1,652	–	–	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	–	783	–	–	100
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	–	13,750	–	–	100
Times Classic (Foshan)	Residential and commercial	2018	35,383	–	4,362	–	–	100
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	–	799	–	–	100
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	1,232	21,129	–	–	91
Timing Home	Residential and commercial	2019	40,794	11,686	21,154	–	–	100
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	2,022	38,666	–	–	100
Mt. Titlis (Foshan)	Residential and commercial	2019	117,893	1,055	3,146	–	–	100

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	5,882	45,883	-	-	100
Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	6,076	64,262	-	-	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	126	15,152	-	-	100
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	4,741	34,133	-	-	75
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	3,955	14,612	-	-	50
Times Realm (Foshan)	Residential and commercial	2021-2022	67,579	658	71,947	-	-	100
Poly Times (Foshan)	Residential and commercial	2022	48,498	9,636	10,705	-	-	49
Toplus (Foshan)	Residential and commercial	2021-2023	120,487	67,525	67,477	-	-	33
Times Memory (Foshan)	Residential and commercial	2021-2024	62,063	65,200	75,320	-	-	51
Foshan Dali Yanjiang Road Project	Residential and commercial	2021-2022	36,313	382	15,765	-	-	100
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2021	12,688	68	3,589	-	-	33
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	10,847	35,525	-	-	100
Times Global Chuangke Town	Residential and commercial	2022-2028	223,952	17,234	62,792	409,930	133,258	75
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2023	11,304	10,306	11,584	-	-	33
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	6,453	10,149	-	-	100
Chuangke Phase II	Residential and commercial	2028-2029	119,035	-	-	335,584	110,085	40
Jiangmen								
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	8,766	39,837	-	-	70
Lake Forest	Residential and commercial	2020-2027	316,980	43,227	112,840	123,981	3,280	51
Central Park Living	Residential and commercial	2019	90,034	2,140	36,781	-	-	100
Times Horizon (Heshan)	Residential and commercial	2020-2022	49,735	679	35,569	-	-	90
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2025	119,153	177	1,550	110,335	24,626	91
Times Elegance (Heshan)	Residential and commercial	2023-2028	187,782	64,491	-	413,022	127,673	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	85	28,036	-	-	100

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhuhai								
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	3,535	5,952	-	-	100
Times King City (Zhuhai) Phases II, III, IV	Residential and commercial	2016-2017	198,204	779	10,409	-	-	100
Times The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	96	3,592	-	-	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	-	21,129	-	-	49
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	2,079	48,988	-	-	100
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	-	9,117	-	-	100
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	2,156	14,422	-	-	80
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2023	60,138	38,278	74,978	-	-	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	1,002	9,488	-	-	100
Times Horizon II	Residential and commercial	2020	11,393	474	8,206	-	-	50
Times Horizon III	Residential and commercial	2021	23,712	7,649	18,565	-	-	50
Times Horizon I	Residential	2020	9,540	2,713	5,237	-	-	38
Times Horizon IV	Residential and commercial	2021-2023	48,432	13,391	37,041	-	-	38
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	4,741	37,997	-	-	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	-	68	-	-	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2022	132,290	20,539	101,971	-	-	93
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	518	1,651	-	-	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	349	14,409	-	-	100
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	294	9,703	-	-	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	1,130	11,622	-	-	73

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	10,130	87,893	–	–	100
Times Garden (Qingyuan) Phase I	Residential and commercial	2016	70,650	–	35,917	–	–	100
Times Garden (Qingyuan) Phase II	Residential and commercial	2019-2020	84,440	–	4,778	–	–	100
Fogang Huanghua Lake Project	Residential and commercial	2028-2029	477,020	–	–	490,363	19,706	100
Times The Shore (Qingyuan)	Residential and commercial	2026	91,127	–	–	331,466	103,810	100
Jiada Feilai Lake Project								
Times The Shore (Qingyuan)	Residential and commercial	2019	68,840	4,476	80,621	–	–	90
Wanda West Project								
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2028	118,164	26,646	33,630	235,500	83,726	70
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2024	133,102	13,698	132,704	93,467	21,550	100
Feilai South Road Project (Qingyuan)	Residential and commercial	2025-2026	23,137	–	–	71,498	30,832	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	8,256	34,384	–	–	100
Xinteng Project (Qingyuan)	Residential and commercial	2022-2029	123,987	40,741	1,004	247,788	105,117	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2025	53,164	–	–	143,663	50,231	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2025	649,862	3,178	127,036	195,057	69,297	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	429	37,646	–	–	100
Times Memory (Changsha)	Residential and commercial	2021	39,722	1,881	22,530	–	–	100
Times Mt. Tittlis (Meixi)	Residential and commercial	2021-2024	71,041	1,611	54,859	–	–	100
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022-2024	8,848	7,198	12,267	–	–	100
Times Jianfa Hezhu	Residential and commercial	2024-2025	121,666	2,417	–	74,929	105,624	51

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Dongguan								
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,363	265	–	–	100
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	7,000	39,024	–	–	100
Times Thriving City (Dongguan)	Residential and commercial	2018-2020	42,519	1,000	7,216	–	–	100
Acquisition Project of Xiaohu Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2023	56,298	28,910	19,013	–	–	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	4,615	6,192	–	–	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2023	95,977	709	22,404	–	–	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	2,391	9,998	–	–	51
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021-2025	38,096	13,119	19,834	1,083	6	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023-2024	69,524	25,867	1,088	–	61,556	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022-2023	41,837	16,682	33,694	–	–	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2024-2025	27,572	–	–	83,494	27,385	49
Project of Liaoxia, Houjie, Dongguan	Residential and commercial	2023-2024	104,561	4,627	18,692	–	51,651	30
Times Brilliance	Plant and commercial	2021-2024	51,886	48,112	–	–	22,393	100
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2026	284,414	41,985	82,227	132,426	147,886	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	8,582	25,615	–	–	80
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	388	42,717	–	–	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2026-2027	62,000	–	–	121,389	45,783	80
Project of Baiyunshan Town, Zhongkai District, Huizhou	Residential and commercial	2023-2027	93,628	8,682	65,527	254,789	62,586	100
Chengdu								
Times Blossom (Chengdu)	Residential and commercial	2020	30,429	1,794	25,099	–	–	100
Times Realm (Chengdu)	Residential and commercial	2021-2023	38,338	32,842	58,489	–	–	100

Project	Project type	Actual/ Expected completion date	Site area (sq.m.)	Completed		Under development/ Future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhaoqing								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	-	5,726	-	-	100
Times Prime (Zhaoqing New District)	Residential and commercial	2023-2028	51,385	32,387	-	85,154	40,266	100
Times Shimao Riverbank (Zhaoqing)	Residential and commercial	2027-2030	59,394	-	-	168,382	47,097	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2023-2025	43,031	5,304	36,826	18,370	-	100
Times Impression (Zhaoqing)	Residential and commercial	2028-2029	69,999	-	-	208,739	44,889	100
Shantou								
Times Horizon (Shantou)	Residential and commercial	2022	36,230	4,015	42,423	-	-	100
Shanwei								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	18,522	42,617	-	-	100
Hangzhou Area								
Times Realm (Hangzhou)	Residential and commercial	2023	26,861	1,268	31,707	-	-	100
Project of Longduhu, Xucun Town, Haining	Residential and commercial	2024	46,938	-	-	128,394	50,296	51
Heyuan								
Times King City (Heyuan)	Residential and commercial	2021	44,470	133	53,650	-	-	100
Wuhan								
Times Mark (Wuhan)	Residential and commercial	2024-2027	78,037	-	-	202,546	81,481	50
Nanjing								
Times Zhenro Runqi Mansion	Residential	2024	32,844	29,678	-	689	26,490	55
			10,914,432	1,167,713	3,954,495	5,489,482	2,190,723	

Notes:

- (1) The table above includes properties for which (i) the Group has obtained relevant land use rights certificate(s), but has not obtained requisite construction permits, or (ii) the Group has signed a land grant contract with relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly includes car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.

Acquisitions of Land Parcels for the Six Months ended 30 June 2024

During the six months ended 30 June 2024, the Group did not acquire any land parcels.

MARKET REVIEW

As of 30 June 2024, the transaction volume of real estate market nationwide remained generally sluggish, reflecting the continuous shrinking trend from last year, despite the continuing optimization of real estate policies. According to the National Bureau of Statistics, the saleable area of new commercial properties reached 479.16 million sq.m. nationwide, representing a decrease of 19.0% on a year-on-year basis. The transaction value of new commercial properties reached RMB4,713.3 billion, representing a decrease of 25.0% on a year-on-year basis.

The national residential land market remained sluggish. According to statistics from the China Index Academy, in the first half of 2024, the transaction area of residential land in 300 cities nationwide was 86.07 million sq.m., which decreased by 38.1% on a year-on-year basis. Among them, the growth rates of the transaction area of residential land in first-tier cities, second-tier cities and third- and fourth-tier cities were -44.0%, -42.0% and -34.4%, respectively, on a year-on-year basis. During the same period, the transaction value of residential land in 300 cities nationwide was RMB535.4 billion, which decreased by 44.3% on a year-on-year basis. Among them, the growth rates of the transaction value of residential land in first-tier cities, second-tier cities and third- and fourth-tier cities were 12.5%, -8.9% and -15.2%, respectively, on a year-on-year basis.

Prospects

Looking forward to the second half of 2024, the international environment will be complex and hostile, the recovery of the world economy will still be anemic with numerous unstable and uncertain factors. China will gradually implement its reform measures. It is expected that macro policies will be kept positive, intensified to develop new quality productivity, with an aim to expand domestic demand consumptions and boost enterprises' confidence.

The central and local governments at all levels will continue to introduce policies to bring the real estate market back on track with balanced demand and supply. As the administrative restrictions on real estates in key cities will be further abolished, the mortgage rates for home purchase still have room to fall, providing strong support for both the rigid demand for residential housing and the demand for improving housing condition.

It is expected that the inventories of new properties still require time to be cleared as the area for sale of new commercial properties is still at a high level, while the prices will remain under pressure. It is expected that the transaction performance of second-hand housing inventories will be better than that of the first-hand ones.

The Group will adhere to the aggressive sales strategies, closely monitor receivables, reduce costs and enhance efficiency, and maintain a stable operating cash flow. The Group will continue to optimise the structure of urban redevelopment projects, accelerate the conversion of urban redevelopment projects and investment return. We will actively manage our debt, optimise debt structure, accelerate the disposal of non-core assets, and respond proactively to the policy to seek financing support for our projects. We will guarantee our project construction progress to ensure timely and quality delivery. The Company will sustain stable operation for achieving long-run and sustainable development.

Financial Review

Revenue

The Group's revenue is primarily generated from property development and property leasing and sub-leasing, which contributed approximately 94.4% and 5.6% respectively of the revenue for the six months ended 30 June 2024. The Group's revenue decreased by RMB3,841.2 million, or 38.7%, to RMB6,091.0 million for the six months ended 30 June 2024 from RMB9,932.2 million for the six months ended 30 June 2023. Such decrease was primarily attributable to the decrease of area delivered in property sales.

Property development

The Group's revenue from sales of properties decreased by RMB3,261.8 million, or 36.2%, to RMB5,752.9 million for the six months ended 30 June 2024 from RMB9,014.7 million for the six months ended 30 June 2023. The decrease was primarily due to the decrease in properties sales and area delivered. Projects that contributed significant revenue to the Group for the six months ended 30 June 2024 mainly included Times Jianfa Hezhu, Times Zhenro Runqi Mansion, Times Prime (Zhaoqing New District), Times Global Chuangke Town and Times Horizon (Huangpu) etc.

Urban redevelopment business

During the Period, the Group had no income from urban redevelopment business.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB40.1 million, or 13.5%, to RMB338.1 million for the six months ended 30 June 2024 from RMB298.0 million for the six months ended 30 June 2023. The increase was primarily due to the increase in leased area of several projects during the Period.

Cost of sales

The Group's cost of sales decreased by RMB3,618.6 million, or 39.5%, to RMB5,553.7 million for the six months ended 30 June 2024 from RMB9,172.3 million for the six months ended 30 June 2023. Such decrease was primarily attributable to the decrease of area delivered in property sales as compared with the six months ended 30 June 2023.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB222.6 million, or 29.3%, to RMB537.3 million for the six months ended 30 June 2024 from RMB759.9 million for the six months ended 30 June 2023. For the six months ended 30 June 2024, the Group's gross profit margin was 8.8%, which remained stable compared to that of 7.7% for the six months ended 30 June 2023.

Other income and gains

The Group's other income and gains decreased to RMB117.5 million for the six months ended 30 June 2024 from RMB127.8 million for the six months ended 30 June 2023, which was primarily attributable to the decrease of bank interest income for the six months ended 30 June 2024.

Selling and marketing costs

The Group's selling and marketing costs decreased by RMB51.4 million, or 28.1%, to RMB131.8 million for the six months ended 30 June 2024 from RMB183.2 million for the six months ended 30 June 2023. The decrease was mainly due to the strict control over the marketing costs by the Group.

Administrative expenses

The Group's administrative expenses decreased by RMB88.5 million, or 28.6%, to RMB220.8 million for the six months ended 30 June 2024 from RMB309.3 million for the six months ended 30 June 2023. The decrease was mainly due to the strict control over the administrative expenses by the Group.

Other expenses

The Group's other expenses increased by RMB1,422.3 million, or 158.0%, to RMB2,322.3 million for the six months ended 30 June 2024 from RMB900.0 million for the six months ended 30 June 2023. The increase was primarily attributable to the increase of impairment on assets for the Period.

Finance costs

The Group's finance costs amounted to RMB581.2 million for the six months ended 30 June 2024, which was broadly comparable with that of RMB552.5 million for the six months ended 30 June 2023.

Income tax expense

The Group's income tax expenses decreased by RMB108.0 million, or 38.6%, to RMB172.1 million for the six months ended 30 June 2024 from RMB280.1 million for the six months ended 30 June 2023. The decrease was primarily attributable to the increase of loss before tax of the Group for the six months ended 30 June 2024.

Loss for the Period

The Group's loss for the Period amounted to RMB2,831.4 million for the six months ended 30 June 2024, representing an increase of RMB1,421.7 million as compared to the Group's loss for the period for the six months ended 30 June 2023. The increase was primarily attributable to the increase of impairment on assets for the Period. Basic and diluted loss per share for the six months ended 30 June 2024 were RMB144 cents (basic and diluted loss per share for the six months ended 30 June 2023: RMB80 cents).

Loss attributable to the owners of the Company

The loss attributable to the owners of the Company amounted to RMB3,017.9 million for the six months ended 30 June 2024, representing an increase of RMB1,328.4 million from the loss attributable to the owners of the Company for the six months ended 30 June 2023. Core net loss attributable to the owners of the Company for the six months ended 30 June 2024 (net loss attributable to shareholders less changes in fair value of self-owned investment properties, and net of the impact of the related deferred tax) was RMB3,014.4 million, representing an increase of RMB1,324.3 million from the core net loss attributable to the owners of the Company for the six months ended 30 June 2023. The increase was primarily attributable to the increase of impairment on assets for the Period.

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2024, the carrying balance of the Group's cash and bank deposits was approximately RMB3,370.1 million (31 December 2023: RMB3,972.1 million), representing a decrease of 15.2% when compared with that of 31 December 2023. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the regulatory accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 30 June 2024, the amount of the Group's restricted bank deposits was RMB1,828.9 million (31 December 2023: RMB2,239.3 million).

Borrowings and pledged assets

As at 30 June 2024, the interest-bearing payables of the Group were RMB5,037.3 million (31 December 2023: RMB5,082.9 million). These balances were secured partially by part of inventories of properties with a carrying value of RMB1,688.8 million. As at 30 June 2024, equity interests in certain subsidiaries of the Group were pledged as security for certain of the Group's interest-bearing payables with an aggregate amount of RMB4,398.4 million.

The Group had aggregate interest-bearing bank loans and other borrowings (excluding interests payables) of approximately RMB45,944.8 million as at 30 June 2024. Borrowings that are due within one year increased from RMB27,454.7 million as at 31 December 2023 to RMB31,121.5 million as at 30 June 2024, and approximately RMB14,777.2 million of borrowings are due within two to five years and approximately RMB46.1 million of borrowings are due over five years. As at 30 June 2024, the Group's outstanding borrowings were secured partially by part of the investment properties, trade receivables, inventories of properties and the property, plant and equipment with a carrying value of approximately RMB1,184.3 million, RMB148.6 million, RMB14,248.9 million and RMB432.2 million, respectively. As at 30 June 2024, equity interests in certain subsidiaries of the Group were pledged as security for certain of the Group's interest-bearing bank and other borrowings.

Details of the equity or debt securities issued by the Company and/or its subsidiaries during the Period are set out below:

(a) USD 5.00% Senior Notes due 2028

On 22 December 2023, the Company issued 5.00% senior notes due 2028 in a principal amount of USD99,500,000 (equivalent to approximately RMB709,116,600) (the "USD 5.00% Senior Notes due 2028"), bearing interest from and including 22 December 2023 at the rate of 5.00% per annum, payable semi-annually in arrears.

(b) USD 5.55% Senior Notes due 2024

On 4 June 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD400,000,000 (equivalent to approximately RMB2,850,720,000) (the "USD 5.55% Senior Notes issued in June 2021"). On 27 July 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD100,000,000 (equivalent to approximately RMB712,680,000) (the "USD 5.55% Senior Notes issued in July 2021"). The USD 5.55% Senior Notes issued in June 2021 and the USD 5.55% Senior Notes issued in July 2021 were consolidated and formed a single series, collectively as the "USD 5.55% Senior Notes due 2024". The USD 5.55% Senior Notes due 2024 are listed on the Stock Exchange and bear interest from and including 4 June 2021 at the rate of 5.55% per annum, payable semi-annually in arrears.

(c) USD 5.75% Senior Notes due 2027

On 14 January 2021, the Company issued 5.75% senior notes due 2027 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,494,380,000) (the “USD 5.75% Senior Notes due 2027”). The USD 5.75% Senior Notes due 2027 are listed on the Stock Exchange and bear interest from and including 14 January 2021 at the rate of 5.75% per annum, payable semi-annually in arrears.

(d) USD 6.20% Senior Notes due 2026

On 22 September 2020, the Company issued 6.20% senior notes due 2026 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,494,380,000) (the “USD 6.20% Senior Notes issued in September 2020”). On 17 March 2021, the Company issued 6.20% senior notes due 2026 in a principal amount of USD100,000,000 (equivalent to approximately RMB712,680,000) (the “USD 6.20% Senior Notes issued in March 2021”). The USD 6.20% Senior Notes issued in September 2020 and the USD 6.20% Senior Notes issued in March 2021 were consolidated and formed a single series, collectively as the “USD 6.20% Senior Notes due 2026”. The USD 6.20% Senior Notes due 2026 are listed on the Stock Exchange and bear interest from and including 22 September 2020 at the rate of 6.20% per annum, payable semi-annually in arrears.

(e) RMB 5.94% Non-Public Domestic Corporate Bonds due 2026

On 21 August 2020, Guangzhou Times Holdings Group Co., Ltd.* (廣州市時代控股集團有限公司) (“Guangzhou Times”), a wholly-owned subsidiary of the Company, issued non-public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,100,000,000 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year and the end of the third year, while investors are entitled to sell them back. RMB 5.94% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 24 August 2020 at the rate of 5.94% per annum, payable annually in arrears. On 24 August 2022, the Company has made the first installment payment, repaying 10% of the total principal amount and the total amount of the outstanding interest payable of the RMB 5.94% Non-Public Domestic Corporate Bonds due 2024. During the period from 22 February to 20 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2026 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2026”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(f) RMB 5.68% Non-Public Domestic Corporate Bonds due 2026

On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 5.68% per annum at a par value of RMB500,000,000 (“RMB 5.68% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year and the end of the third year, while investors are entitled to sell them back. RMB 5.68% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 4 August 2020 at the rate of 5.68% per annum, payable annually in arrears. On 4 August 2022, the Company has made the first installment payment, repaying 10% of the total principal amount and the total amount of the outstanding interest payable of the RMB 5.68% Non-Public Domestic Corporate Bonds due 2024. During the period from 22 February to 28 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2026 (“RMB 5.68% Non-Public Domestic Corporate Bonds due 2026”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(g) RMB 5.94% Public Domestic Corporate Bonds due 2027

On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,600,000,000 (“RMB5.94% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell them back. RMB 5.94% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 17 July 2020 at the rate of 5.94% per annum, payable annually in arrears. During the period from 22 February to 24 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2027”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(h) USD 6.75% Senior Notes due 2025

On 8 July 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD300,000,000 (equivalent to approximately RMB2,138,040,000) (the “USD 6.75% Senior Notes issued in July 2020”). On 30 October 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD250,000,000 (equivalent to approximately RMB1,781,700,000) (the “USD 6.75% Senior Notes issued in October 2020”). The USD 6.75% Senior Notes issued in July 2020 and the USD 6.75% Senior Notes issued in October 2020 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2025”. The USD 6.75% Senior Notes due 2025 are listed on the Stock Exchange and bear interest from and including 8 July 2020 at the rate of 6.75% per annum, payable semi-annually in arrears.

(i) RMB 5.24% Public Domestic Corporate Bonds due 2027

On 26 May 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.24% per annum at a par value of RMB2,500,000,000 (“RMB 5.24% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell them back. RMB 5.24% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 27 May 2020 at the rate of 5.24% per annum, payable annually in arrears. During the period from 22 February to 11 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027 (“RMB 5.24% Non-Public Domestic Corporate Bonds due 2027”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(j) RMB 5.10% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.10% per annum at a par value of RMB1,550,000,000 (“RMB 5.10% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell them back. RMB 5.10% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 5.10% per annum, payable annually in arrears. During the period from 22 February to 14 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027 (“RMB 5.10% Non-Public Domestic Corporate Bonds due 2027”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(k) RMB 6.30% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.30% per annum at a par value of RMB950,000,000 (“RMB 6.30% Public Domestic Corporate Bonds due 2027”) for a term of seven years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell them back. RMB 6.30% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 6.30% per annum, payable annually in arrears. During the period from 22 February to 24 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027, set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(l) RMB 5.00% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.00% per annum at a par value of RMB740,000,000 (“RMB 5.00% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell them back. RMB 5.00% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 5.00% per annum, payable annually in arrears. During the period from 22 February to 11 April 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027 (“RMB 5.00% Non-Public Domestic Corporate Bonds due 2027”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(m) RMB 6.20% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.20% per annum at a par value of RMB575,000,000 (“RMB 6.20% Public Domestic Corporate Bonds due 2027”) for a term of seven years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell them back. RMB 6.20% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 6.20% per annum, payable annually in arrears. During the period from 22 February to 24 February 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to February 2027, set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(n) USD 6.75% Senior Notes due 2023

On 16 July 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,850,720,000) (the “USD 6.75% Senior Notes issued in July 2019”). On 4 September 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD100,000,000 (equivalent to approximately RMB712,680,000) (the “USD 6.75% Senior Notes issued in September 2019”). The USD 6.75% Senior Notes issued in July 2019 and the USD 6.75% Senior Notes issued in September 2019 were consolidated and formed a single series which are referred to as the “USD 6.75% Senior Notes due 2023”. The USD 6.75% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 16 July 2019 at the rate of 6.75% per annum, payable semi-annually in arrears.

(o) RMB 6.80% Public Domestic Corporate Bonds due 2027

On 6 June 2019, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.80% per annum at a par value of RMB500,000,000 (“RMB 6.80% Public Domestic Corporate Bonds due 2024”) for a term of five years in the PRC. RMB 6.80% Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 10 June 2019 at the rate of 6.80% per annum, payable annually in arrears. During the period from 22 February to 6 March 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2027 (“RMB 6.80% Non-Public Domestic Corporate Bonds due 2027”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

(p) USD 6.60% Senior Notes due 2023

On 30 November 2017, the Company issued 6.60% senior notes due 2023 (the “USD 6.60% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB2,138,040,000). The USD 6.60% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.60% per annum, payable semi-annually in arrears.

(q) RMB 5.50% Non-Public Domestic Corporate Bonds due 2026

On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 8.20% per annum at a par value of RMB1,100,000,000 (“RMB 8.20% Non-Public Domestic Corporate Bonds due 2022”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell them back. RMB 8.20% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 8.20% per annum, payable annually in arrears. On 8 September 2020, Guangzhou Times adjusted the coupon rate of the bonds to 5.50%. From 5 to 7 September 2022, Guangzhou Times held a meeting of bondholders to extend the bonds’ maturity date to 2024 (“RMB 5.50% Non-Public Domestic Corporate Bonds due 2024”). On 8 September 2022, the Company has made the first installment payment, repaying 2.5% of the total principal amount and the total amount of the outstanding interest payable of the RMB 5.50% Non-Public Domestic Corporate Bonds due 2024. During the period from 22 February to 6 March 2023, Guangzhou Times convened a bondholders’ meeting to adjust the maturity date of the bonds to 2026 (“RMB 5.50% Non-Public Domestic Corporate Bonds due 2026”), set up a small-amount redemption mechanism and a pro-rata principal repayment node, and capitalise the unpaid interest payable up to 24 February 2023, so as to settle the new interest along with the principal amount, and create new credit enhancement and protection measures.

The Group aims to achieve a holistic management of its offshore debts that ensures a fair and equitable treatment to its creditors, and provides a sustainable capital structure. To this end, the Group has suspended payments under certain offshore debts (details of which can be found in the announcements of the Company dated 30 December 2022 and 4 January 2023). Trading in the offshore USD denominated senior notes of the Company has been suspended from 9:00 a.m. on 5 January 2023 and will remain suspended until further notice. The Group has been in negotiation, and still is actively negotiating, with its creditors to reach a holistic management of its offshore debts.

On 28 June 2024, the Company has reached an agreement in principle with an ad hoc group of offshore creditors (the “AHG”) on high-level, key commercial terms of a holistic proposal (the “Proposal”) with respect to the restructuring of certain existing senior notes of the Company and a Hong Kong-law governed USD and HK\$ dual-currency transferable term loan facility borrowed by the Company. This is a significant milestone for the Company in its implementation of the Proposal. The Company expects to continue the proactive and constructive dialogue with all relevant stakeholders (including the AHG and the lenders under the existing syndicate loan), with a view to agreeing on a consensual restructuring of the Group’s relevant offshore indebtedness as soon as practical.

Contingent liabilities

As at 30 June 2024, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group’s properties amounted to approximately RMB14,467.5 million (31 December 2023: approximately RMB18,982.7 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group’s projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any outstanding amount from the Group if the amount of outstanding loan exceeds the net foreclosure sales proceeds from the auction. In line with industry practices, the Group does not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

As at 30 June 2024, the Group had provided guarantees in respect of certain bank loans of approximately RMB1,580.9 million (31 December 2023: approximately RMB1,624.9 million) for its joint ventures and associates.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2024, the Group had not engaged in hedging activities for managing foreign exchange rate risk.

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 during the Period, nor were there any plans authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

Events After the Period

References are made to the announcements of the Company dated 16 April 2024, 3 July 2024, 31 July 2024 and 12 August 2024 in relation to the winding-up petition against the Company and the adjournments of the hearing date of the petition. On 12 August 2024, the High Court of Hong Kong has further adjourned the hearing for the petition to 21 October 2024.

Save as disclosed in this announcement, there were no other material events after 30 June 2024.

Employees and Remuneration Policy

As at 30 June 2024, the Group had 1,578 employees (31 December 2023: 1,757 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund scheme, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. For the six months ended 30 June 2024, the Group's employee benefit expense (excluding Directors' remuneration) was approximately RMB170 million (for the six months ended 30 June 2023: RMB253.3 million).

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code. Save for the deviation disclosed below, in the opinion of the Directors, the Company has complied with all the applicable code provisions as set out in the CG Code for the six months ended 30 June 2024.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors have regular discussions in relation to major matters affecting the operations of the Group and the Group has effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code of Conduct Regarding Directors' Securities Transactions

The Company has also adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the six months ended 30 June 2024.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the audit committee of the Company (the "Audit Committee") which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the interim report and the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company, and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2024.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.timesgroup.cn), and the 2024 interim report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times China Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 28 August 2024

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man.

* *For identification purpose only*