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JOY CITY PROPERTY LIMITED

大悦城地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

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

HIGHLIGHTS

- Total operating revenue amounted to RMB8,622.1 million, representing a year-on-year increase of 126.2%, of which revenue from the property development amounted to RMB5,975.4 million, representing a year-on-year increase of 494.7%.
- Contracted sales amounted to RMB14,756.1 million, representing a year-on-year increase of 40.1%, and contracted sales area was 447,199.0 sq.m., representing a year-on-year increase of 13.4%.
- Profit attributable to owners of the Company amounted to RMB142.6 million, representing a year-on-year decrease of 85.2%. Excluding the total loss of the after-tax fair value loss on investment properties attributable to owners of the Company and the exchange gain attributable to owners of the Company of approximately RMB52.6 million, the core net profit attributable to owners of the Company (non-HKFRSs) for the period was RMB195.2 million, representing a year-on-year decrease of 68.7%.

INTERIM RESULTS

The Board announces the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 together with the comparative figures for the six months ended 30 June 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	8,622,134	3,812,356
Cost of sales and services rendered		<u>(5,905,391)</u>	<u>(1,684,857)</u>
Gross profit		2,716,743	2,127,499
Other income	5	225,251	312,290
Other gains and losses, net	6	(194,630)	(20,461)
Impairment losses under expected credit loss model, net of reversal	13	(37,775)	(66,075)
Distribution and selling costs		(393,585)	(328,867)
Administrative expenses		(346,477)	(397,419)
Fair value (losses)/gains on investment properties		(52,356)	240,676
Finance costs	7	(727,990)	(792,282)
Share of losses of associates		(16,387)	(13,499)
Share of profits of joint ventures		<u>150,063</u>	<u>625,448</u>
Profit before tax	8	1,322,857	1,687,310
Income tax expense	9	<u>(564,134)</u>	<u>(435,412)</u>
Profit for the period		<u>758,723</u>	<u>1,251,898</u>
Profit for the period attributable to:			
Owners of the Company		142,585	960,023
Holders of perpetual capital instruments		96,010	152,256
Non-controlling interests		<u>520,128</u>	<u>139,619</u>
		<u>758,723</u>	<u>1,251,898</u>
Basic and diluted earnings per share	10	<u>RMB0.9 cents</u>	<u>RMB6.3 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	<u>758,723</u>	<u>1,251,898</u>
Other comprehensive (expenses)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation	(54,371)	(224,010)
Fair value gain on hedging instruments designated in cash flow hedges	<u>(66,901)</u>	<u>39,913</u>
Other comprehensive expense for the period	<u>(121,272)</u>	<u>(184,097)</u>
Total comprehensive income for the period	<u>637,451</u>	<u>1,067,801</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	21,313	775,926
Holder of perpetual capital instruments	96,010	152,256
Non-controlling interests	<u>520,128</u>	<u>139,619</u>
	<u>637,451</u>	<u>1,067,801</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTE	30.06.2024 RMB'000 (Unaudited)	31.12.2023 RMB'000 (Audited)
Non-current assets			
Investment properties		58,091,255	56,949,328
Property, plant and equipment		2,844,377	2,893,040
Right-of-use assets		1,436,328	1,465,333
Intangible assets		105,812	106,919
Interests in associates		2,316,454	1,461,151
Interests in joint ventures		6,825,319	6,675,550
Loans to associates		601,537	663,875
Loans to non-controlling interests		849,740	751,740
Financial assets at fair value through profit or loss		510	510
Goodwill		184,297	184,297
Deposits		147,023	158,329
Deferred tax assets		305,329	337,445
Amount due from a non-controlling interest		20,402	11,573
		<u>73,728,383</u>	<u>71,659,090</u>
Current assets			
Inventories		13,545	14,006
Properties held for sale		6,525,096	5,152,062
Properties under development for sale		34,432,724	38,915,341
Accounts receivable	12	127,467	114,448
Contract costs		255,972	266,239
Deposits, prepayments and other receivables		3,734,502	3,734,972
Amounts due from fellow subsidiaries		22,714	24,940
Amounts due from non-controlling interests		91,463	26,162
Amounts due from joint ventures		555,000	542,596
Amounts due from associates		906,245	906,228
Loans to associates		1,745,787	1,752,028
Loans to non-controlling interests		345,831	278,211
Tax recoverable		597,447	557,482
Hedging instruments		58,388	131,177
Derivative financial instruments		17,906	63,306
Restricted bank deposits		59,044	46,188
Pledged deposits		2,408	2,406
Cash and bank balances		19,795,243	19,432,196
		<u>69,286,782</u>	<u>71,959,988</u>
TOTAL ASSETS		<u><u>143,015,165</u></u>	<u><u>143,619,078</u></u>

	<i>NOTE</i>	30.06.2024 RMB'000 (Unaudited)	31.12.2023 <i>RMB'000</i> (Audited)
Current liabilities			
Accounts payable	14	4,908,103	5,437,282
Other payables and accruals		6,173,743	6,676,020
Contract liabilities		18,054,305	19,447,315
Lease liabilities		63,782	47,606
Amount due to the ultimate holding company		4	4
Amounts due to intermediate holding companies		19,228	611
Amounts due to non-controlling interests		264,121	293,835
Amounts due to associates		1,422,553	742,603
Amounts due to joint ventures		110,308	280,166
Amounts due to fellow subsidiaries		537,179	210,763
Loan from a fellow subsidiary		219,313	590,761
Loan from a third party		1,050,000	974,020
Bank borrowings		8,264,818	7,202,336
Income tax and land appreciation tax payables		501,458	1,378,735
Deferred income		4,399	1,794
Bonds payable		1,814,806	819,614
Derivative financial instruments		15,883	15,784
		<u>43,424,003</u>	<u>44,119,249</u>
Net current assets		<u>25,862,779</u>	<u>27,840,739</u>
Total assets less current liabilities		<u>99,591,162</u>	<u>99,499,829</u>
Non-current liabilities			
Other payables and accruals		590,819	572,458
Lease liabilities		243,531	77,615
Loan from a fellow subsidiary		2,940	2,940
Loan from a third party		2,400,000	6,924,780
Loan from an associate		318,500	248,934
Loans from joint ventures		5,824,800	5,824,800
Loan from a non-controlling interest		32,856	94,856
Bank borrowings		23,928,478	18,347,571
Deferred tax liabilities		7,348,511	7,164,608
Bonds payable		2,198,328	3,264,939
Amount due to a joint venture		539,000	539,000
		<u>43,427,763</u>	<u>43,062,501</u>
Net assets		<u>56,163,399</u>	<u>56,437,328</u>

		30.06.2024	31.12.2023
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Capital and reserves			
Share capital	<i>15</i>	1,122,414	1,122,414
Reserves		29,021,684	28,793,950
		<hr/>	<hr/>
Equity attributable to owners of the Company		30,144,098	29,916,364
Perpetual capital instruments		5,388,587	5,601,361
Non-controlling interests		20,630,714	20,919,603
		<hr/>	<hr/>
Total equity		56,163,399	56,437,328
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Joy City Property Limited (the “**Company**”) was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in investment holding, property investment and development and hotel operations.

The immediate holding company of the Company, Grandjoy Holdings Group Co., Ltd (“**Grandjoy Holdings Group**”), a company established in the People’s Republic of China (the “**PRC**”) with its A shares listed on the Shenzhen Stock Exchange. In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (’000) unless otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2023.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except as described below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the period.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker (“CODM”), for the purpose of resource allocation and performance assessment.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

An analysis of the Group’s revenue, which is also turnover of the Group, for the period is as follows:

	Six months ended	
	30.6.2024	30.6.2023
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Property investment and development:		
Rental income from investment properties and related services	2,090,723	2,150,054
Sales of properties held for sale	5,975,356	1,004,763
Output management project	72,957	83,109
Other service income	15,580	38,105
	8,154,616	3,276,031
Hotel operations	467,518	536,325
Total revenue	8,622,134	3,812,356

Disaggregation of revenue from contract with customers

For the six months ended 30 June 2024 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	<u>341,529</u>	<u>5,975,356</u>	<u>467,518</u>	<u>72,957</u>	<u>15,580</u>	<u>6,872,940</u>
Geographical markets						
Mainland China	334,155	5,975,356	467,518	51,295	12,520	6,840,844
Hong Kong	<u>7,374</u>	<u>–</u>	<u>–</u>	<u>21,662</u>	<u>3,060</u>	<u>32,096</u>
	<u>341,529</u>	<u>5,975,356</u>	<u>467,518</u>	<u>72,957</u>	<u>15,580</u>	<u>6,872,940</u>
Timing of revenue recognition						
A point in time	–	5,975,356	112,781	–	–	6,088,137
Over time	<u>341,529</u>	<u>–</u>	<u>354,737</u>	<u>72,957</u>	<u>15,580</u>	<u>784,803</u>
	<u>341,529</u>	<u>5,975,356</u>	<u>467,518</u>	<u>72,957</u>	<u>15,580</u>	<u>6,872,940</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For the six months ended 30 June 2024 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	341,529	5,975,356	467,518	72,957	15,580	6,872,940
Inter-segment	<u>195,744</u>	<u>–</u>	<u>4</u>	<u>49,291</u>	<u>49,207</u>	<u>294,246</u>
Total	<u>537,273</u>	<u>5,975,356</u>	<u>467,522</u>	<u>122,248</u>	<u>64,787</u>	<u>7,167,186</u>
Revenue from rental total	<u>1,749,194</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,749,194</u>
Inter-segment elimination	<u>(195,744)</u>	<u>–</u>	<u>(4)</u>	<u>(49,291)</u>	<u>(49,207)</u>	<u>(294,246)</u>
Revenue disclosed in segment information	<u>2,090,723</u>	<u>5,975,356</u>	<u>467,518</u>	<u>72,957</u>	<u>15,580</u>	<u>8,622,134</u>

Disaggregation of revenue from contract with customers

For the six months ended 30 June 2023 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	<u>296,677</u>	<u>1,004,763</u>	<u>536,325</u>	<u>83,109</u>	<u>38,105</u>	<u>1,958,979</u>
Geographical markets						
Mainland China	287,879	1,004,763	536,325	61,316	37,989	1,928,272
Hong Kong	<u>8,798</u>	<u>–</u>	<u>–</u>	<u>21,793</u>	<u>116</u>	<u>30,707</u>
	<u>296,677</u>	<u>1,004,763</u>	<u>536,325</u>	<u>83,109</u>	<u>38,105</u>	<u>1,958,979</u>
Timing of revenue recognition						
A point in time	–	1,004,763	121,561	–	–	1,126,324
Over time	<u>296,677</u>	<u>–</u>	<u>414,764</u>	<u>83,109</u>	<u>38,105</u>	<u>832,655</u>
	<u>296,677</u>	<u>1,004,763</u>	<u>536,325</u>	<u>83,109</u>	<u>38,105</u>	<u>1,958,979</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For the six months ended 30 June 2023 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	296,677	1,004,763	536,325	83,109	38,105	1,958,979
Inter-segment	<u>53,112</u>	<u>–</u>	<u>3</u>	<u>52,199</u>	<u>21,163</u>	<u>126,477</u>
Total	<u>349,789</u>	<u>1,004,763</u>	<u>536,328</u>	<u>135,308</u>	<u>59,268</u>	<u>2,085,456</u>
Revenue from rental total	<u>1,853,377</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,853,377</u>
Inter-segment elimination	<u>(53,112)</u>	<u>–</u>	<u>(3)</u>	<u>(52,199)</u>	<u>(21,163)</u>	<u>(126,477)</u>
Revenue disclosed in segment information	<u>2,150,054</u>	<u>1,004,763</u>	<u>536,325</u>	<u>83,109</u>	<u>38,105</u>	<u>3,812,356</u>

Information regarding the above segments is reported below.

Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2024 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	2,090,723	5,975,356	467,518	72,957	15,580	8,622,134	–	8,622,134
Inter-segment revenue	195,744	–	4	49,291	49,207	294,246	(294,246)	–
Consolidated	<u>2,286,467</u>	<u>5,975,356</u>	<u>467,522</u>	<u>122,248</u>	<u>64,787</u>	<u>8,916,380</u>	<u>(294,246)</u>	<u>8,622,134</u>
Revenue as presented in consolidated statement of profit or loss								<u>8,622,134</u>
Segment results	<u>1,211,774</u>	<u>496,354</u>	<u>41,875</u>	<u>123,905</u>	<u>64,803</u>	<u>1,938,711</u>	<u>71</u>	<u>1,938,782</u>
Unallocated corporate income and other gains								122,948
Unallocated corporate expenses and other losses								(111,633)
Finance costs								(727,990)
Share of losses of associates								(16,387)
Share of profits of joint ventures								150,063
Impairment loss recognised on loan to an associate and amount due from a joint venture								<u>(32,926)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>1,322,857</u>

Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2023 (Unaudited)

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Segment total RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Segment revenue								
External customers	2,150,054	1,004,763	536,325	83,109	38,105	3,812,356	–	3,812,356
Inter-segment revenue	53,112	–	3	52,199	21,163	126,477	(126,477)	–
Consolidated	<u>2,203,166</u>	<u>1,004,763</u>	<u>536,328</u>	<u>135,308</u>	<u>59,268</u>	<u>3,938,833</u>	<u>(126,477)</u>	<u>3,812,356</u>
Revenue as presented in consolidated statement of profit or loss								<u>3,812,356</u>
Segment results	<u>1,601,550</u>	<u>40,176</u>	<u>76,680</u>	<u>110,272</u>	<u>(12,383)</u>	<u>1,816,295</u>	<u>(7,445)</u>	<u>1,808,850</u>
Unallocated corporate income and other gains								245,728
Unallocated corporate expenses and other losses								(122,172)
Finance costs								(792,282)
Share of losses of associates								(13,499)
Share of profits of joint ventures								625,448
Impairment loss recognised on loan to an associate, amount due from a non-controlling interest and other receivables								<u>(64,763)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>1,687,310</u>

Inter-segment revenue was charged at prices agreed between group entities.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represents the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, certain other gains and losses, certain distribution and selling costs, certain administrative expenses, finance costs, share of profits/losses of associates and joint ventures and impairment loss recognised on loan to an associate, amount due from a joint venture, amount due from a non-controlling interest and other receivables.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the condensed consolidated financial statements as they are not regularly provided to the CODM for the purposes of resources allocation and performance assessment.

5. OTHER INCOME

An analysis of the Group's other income for the period is as follows:

	Six months ended	
	30.06.2024	30.06.2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income from:		
Banks	117,679	96,873
A non-banking financial institution (<i>Note a</i>)	16,581	11,142
Loan to a joint venture	–	99
Loans to associates	–	153,294
Loans to non-controlling interests	20,814	9,648
Government grants (<i>Note b</i>)	68,214	36,586
Others	1,963	4,648
	225,251	312,290

Notes:

- a. *The non-banking financial institution is COFCO Finance Corporation Limited (“COFCO Finance”), a fellow subsidiary of the Group.*
- b. *Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.*

6. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains and losses, for the period are as follows:

	Six months ended	
	30.06.2024	30.06.2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	(79)	(3,899)
Impairment loss on properties under development for sale	(191,998)	(47,225)
Exchange (losses)/gains, net	(1,145)	21,251
Gains on disposal of a subsidiary	–	50
Others	(1,408)	9,362
	(194,630)	(20,461)

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended	
	30.06.2024 RMB'000 (Unaudited)	30.06.2023 RMB'000 (Unaudited)
Interest on:		
Bank borrowings	559,599	558,372
Loan from a non-banking financial institution (<i>Note</i>)	3,678	18,579
Loans from fellow subsidiaries	7,736	7,115
Loans from non-controlling interests	1,628	28,490
Loan from an associate	4,993	1,161
Loans from joint ventures	106,512	108,010
Loans from third parties	176,795	194,678
Bonds payable	65,938	66,583
Lease liabilities	12,299	4,321
Others	29,920	22,109
	<hr/>	<hr/>
Total interest expenses	969,098	1,009,418
	<hr/>	<hr/>
Less: interest capitalised in:		
Investment properties under development	(5,463)	(32,191)
Properties under development for sale	(235,645)	(184,945)
	<hr/>	<hr/>
	(241,108)	(217,136)
	<hr/>	<hr/>
Finance costs	727,990	792,282
	<hr/> <hr/>	<hr/> <hr/>

Note:

The non-banking financial institution is COFCO Finance.

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended	
	30.06.2024	30.06.2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amortisation:		
– Intangible assets (included in cost of sales)	2,334	1,978
– Intangible assets (included in administrative expenses)	1,940	2,286
– Intangible assets (included in distribution and selling costs)	304	401
	<u>4,578</u>	<u>4,665</u>
Depreciation of property, plant and equipment	88,367	97,772
Depreciation of right-of-use assets	38,003	34,910
	<u>130,948</u>	<u>137,347</u>
Total depreciation and amortisation		
	<u>130,948</u>	<u>137,347</u>
Cost of sales and services rendered:		
Cost of properties sold	5,076,074	841,851
Direct operating expenses incurred for investment properties that generated rental income	469,843	452,401
Direct operating expenses arising from provision of property management and related services	28,205	47,396
Direct operating expenses from hotel services provided	331,269	343,209
	<u>5,905,391</u>	<u>1,684,857</u>

9. INCOME TAX EXPENSE

	Six months ended	
	30.06.2024 <i>RMB'000</i> (Unaudited)	30.06.2023 <i>RMB'000</i> (Unaudited)
Current tax:		
PRC Enterprise Income Tax	381,222	298,550
Land Appreciation Tax	97,287	12,010
Hong Kong Profits Tax	12,866	6,900
	<u>491,375</u>	<u>317,460</u>
(Over)/under provision in prior years:		
PRC Enterprise Income Tax	(4,951)	11,491
Land Appreciation Tax	(138,363)	—
	<u>(143,314)</u>	<u>11,491</u>
Deferred tax	<u>216,073</u>	<u>106,461</u>
	<u><u>564,134</u></u>	<u><u>435,412</u></u>

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30.06.2024 <i>RMB'000</i> (Unaudited)	30.06.2023 <i>RMB'000</i> (Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	<u>142,585</u>	<u>960,023</u>
Number of shares ('000)		
For the purpose of basic earnings per share:		
Number of ordinary shares	14,231,125	14,231,125
Number of non-redeemable convertible preference shares	<u>1,095,301</u>	<u>1,095,301</u>
Number of shares for the purpose of basic earnings per share	<u><u>15,326,426</u></u>	<u><u>15,326,426</u></u>

The number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2024 and 2023 is calculated on the basis of the number of ordinary shares of the Company and non-redeemable convertible preference shares in issue during the periods.

The calculation of the diluted earnings per share for the six months ended 30 June 2023 did not assume the exercise of the written put option on shares of a subsidiary as the dilution effect resulting from the impact of earnings is not considered material.

No diluted earnings per share for the six months ended 30 June 2024 was presented as there was no potential ordinary shares in issue.

11. DIVIDENDS

No dividend in respect of ordinary shares has been proposed, paid or declared by the Company for the current and prior periods.

12. ACCOUNTS RECEIVABLE

	30.06.2024	31.12.2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Lease receivables	115,512	108,621
Property management fee receivables	13,043	6,465
Receivables from hotel operations and related services	16,986	17,803
Others	4,679	4,737
Less: Allowance for credit losses	(22,753)	(23,178)
	127,467	114,448

At 30 June 2024, accounts receivable with an aggregate carrying amount of approximately RMB10,741,000 (31 December 2023: RMB2,756,000) were pledged to secure certain banking facilities granted to the Group.

The Group does not hold any collateral over the above balances.

The following is an aged analysis of accounts receivable at the end of the reporting period (excluding rental adjustments and net of allowance for credit losses) presented based on invoice date, except for the aged analysis of rental receivables which were presented based on the date of rental demand notice issued:

	30.06.2024 <i>RMB'000</i> (Unaudited)	31.12.2023 <i>RMB'000</i> (Audited)
Less than 3 months	93,525	92,444
3 months to 1 year	22,945	13,155
1 to 2 years	6,723	7,709
2 to 3 years	4,274	1,140
	<u>127,467</u>	<u>114,448</u>

13. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL

	Six months ended	
	30.06.2024 <i>RMB'000</i> (Unaudited)	30.06.2023 <i>RMB'000</i> (Unaudited)
Impairment loss recognised (reversal of) in respect of:		
– accounts receivable	2,285	2,186
– deposits and other receivables	(834)	(838)
– loan to an associate	9,926	40,081
– amounts due from fellow subsidiaries	3,398	–
– amount due from a joint venture	23,000	–
– amount due from a non-controlling interest	–	24,646
	<u>37,775</u>	<u>66,075</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

14. ACCOUNTS PAYABLE

	30.06.2024 <i>RMB'000</i> (Unaudited)	31.12.2023 <i>RMB'000</i> (Audited)
Trade payables	35,108	45,024
Accrued expenditure on construction	4,872,995	5,392,258
	4,908,103	5,437,282

Accounts payable, including trade payables and accrued expenditure on construction, mainly comprise construction costs and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the retention period is up to 2 years.

The following is an aged analysis of trade payables at the end of the reporting period based on invoice date.

	30.06.2024 <i>RMB'000</i> (Unaudited)	31.12.2023 <i>RMB'000</i> (Audited)
Within 1 year	33,970	43,765
1 to 2 years	1,138	1,259
	35,108	45,024

15. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	Amount <i>HK\$'000</i>	(RMB equivalent) <i>RMB'000</i>
Authorised:			
<i>Ordinary shares of HK\$0.10 each.</i>			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	28,904,699,222	2,890,470	2,293,502
Issued and fully paid:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	14,231,124,858	1,423,112	1,122,414

16. EVENTS AFTER THE REPORTING PERIOD

- a) Pursuant to the circular of the Company dated 25 June 2024 regarding the deemed disposal in relation to the proposed spin-off of an indirect wholly-owned subsidiary of the Company and separate listing of the consumer infrastructure REIT (“**REIT**”) on the Shenzhen Stock Exchange (“**SSE**”) (the “**Proposed Spin-off**”), the Proposed Spin-off is conditional upon several of conditions, including but not limited to the respective approvals of the China Securities Regulatory Commission (“**CSRC**”), the SSE and the Stock Exchange in relation to the Proposed Spin-off having been obtained.

On 2 August 2024, CSRC issued an approval letter <Securities Regulatory Commission Permit [2024] No. 1122> to approve for setting up the REIT. In addition, SSE issued an approval letter <[2024] No. 497> to approve for listing the REIT on SSE.

The Proposed Spin-off has not yet completed up to the date of Condensed Consolidated Financial Statements until the Company has fulfilled the remaining conditions precedent, please refer to the “Letter from the Board” section of the circular of the Company dated 25 June 2024 for details.

- b) Pursuant to the announcement of the Company dated 31 July 2024, the Company, as the borrower, entered into a facility agreement (the “**Facility Agreement**”) with certain banks acting as lenders (the “**Lenders**”) and a bank acting as the coordinator and agent in respect of a term facility in an aggregate amount of US\$400,000,000 or its HKD equivalent (the “**Facility**”) on 31 July 2024. The Facility is available in US dollar or its equivalent in HKD and would mature in 36 months from the date of the Facility Agreement. The Facility would be made available by the Lenders to the Company subject to the terms and conditions of the Facility Agreement for the purpose of refinancing the existing indebtedness of the Company and/or a subsidiary of the Company in full or in part. Pursuant to the Facility Agreement, if COFCO Corporation (a) ceases to be, directly or indirectly, the single largest shareholder of the Company; or ceases to have management control over the Company; and/or (b) COFCO Corporation is not or ceases to be majority owned or otherwise controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China or China Central Government, it would constitute an event of default triggering the potential cancellation of all or any part of the commitment of the Lender(s) and the cessation of the Facility’s availability for further utilisation; and/or all or part of the Facility, together with accrued interest, and all other amounts accrued or outstanding, may become immediately due and payable or immediately payable on demand.

The Company does not utilise any of the above facility up to the date of this Condensed Consolidated Financial Statements.

BUSINESS REVIEW

Market Review

In the first half of 2024, the national economy continued its recovery and improvement trend and its development remained stable while making progress, achieving new advancements in high-quality development. In the first half of 2024, the GDP reached approximately RMB61.7 trillion, representing a year-on-year growth of 5.0%. The policy of expanding domestic demand and promoting consumption continued to take effect, and the overall consumption market showed a recovery trend. From January to June 2024, the total retail sales of consumer goods nationwide amounted to approximately RMB23.6 trillion, representing a year-on-year increase of 3.7%.

In terms of the real estate industry, local governments continued to introduce supportive policies tailored to local conditions, aiming to cut excess real estate inventory and stabilize the market. The policy effects have gradually emerged with improved market activity, but the market is still in a period of adjustment. During the period under review, nationwide investment in real estate development amounted to approximately RMB5.25 trillion, representing a year-on-year decrease of 10.1%; sales of newly built commercial housing amounted to approximately RMB4.71 trillion, representing a year-on-year decrease of 25%. Housing price also continued to show a downward trend, in June 2024, the price index of newly built commercial housing in 70 large-and medium-sized cities in China decreased by 4.9% year on year and decreased by 0.7% month on month.

In terms of commercial real estate, during the period under review, the central and local governments made solid efforts to promote the implementation and refinement of policies to expand domestic demand and promote consumption, continuously unleashing residents' consumption demand. New types of consumption continued to develop and service consumption maintained rapid growth, driving a moderate recovery in the commercial real estate market. In the first half of 2024, approximately 131 commercial projects (each with a commercial GFA of 20,000 sq.m. or above) were put into operation nationwide, representing a year-on-year increase of approximately 4.8%; and the aggregate GFA of new commercial buildings was approximately 10,540,000 sq.m. Looking forward to the second half of the year, it is expected that macro policies will continue to play a role in unleashing residents' consumption potential, stimulating the vitality of business entities, and supporting the recovery of the commercial real estate market.

Business Review

During the period under review, the Group gave full play to its strengths to ensure stable development of its four business segments, namely investment properties, property development, hotel operations, and output management and other services. The Group's operating revenue amounted to approximately RMB8,622.1 million (the corresponding period in 2023: RMB3,812.4 million), representing a year-on-year increase of 126.2%, which was mainly due to the year-on-year increase in revenue from property development as a result of the increase in the settlement area of property development business for the period. The Group's cost of sales and services rendered was approximately RMB5,905.4 million (the corresponding period in 2023: RMB1,684.9 million), representing a year-on-year increase of 250.5%. The overall gross profit margin decreased by 24 percentage points year on year to 32%, mainly due to a greater portion of revenue from investment properties in the corresponding period of the previous year, which boosted the overall gross profit margin.

Business Review on Investment Properties

The Group's shopping malls continued to strengthen commercial operation and created multiple marketing campaigns to lead the way in consumption innovation, which had achieved satisfactory results. The Group also won various awards during the period under review, further enhancing its brand influence.

During the period under review, total rental income from investment properties and related services income amounted to approximately RMB2,090.7 million, representing a year-on-year decrease of 2.8%, which was mainly due to sales of subsidiaries holding investment properties in the second half of 2023. The gross profit margin of the investment properties business decreased by 1 percentage points year on year to 78%. Income from shopping malls and office buildings and other income contributed approximately 88%, 10% and 2% of the total revenue, respectively.

The Group's shopping malls business recorded sales of approximately RMB18.8 billion, representing a year-on-year increase of 15%; and rental income of approximately RMB1,512.7 million, representing a year-on-year increase of 1.9%. The average occupancy rate of the shopping malls was 96%, representing a year-on-year increase of 4 percentage points.

The Group's office building business has consistently adhered to the concept of focusing on customer needs, continuously exploring and innovating, and strengthening its operational capabilities, and recorded rental income of approximately RMB188.7 million during the period under review.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Rental income from investment properties and related services income <i>(RMB million)</i>	2,090.7	2,150.1

The table below sets forth the rental income and occupancy rates of the Group's major investment properties for the first half of 2024:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	294.1	95
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	318.8	95
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	225.5	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	113.3	97
Shenyang Joy City Shopping Mall	Shenyang	Retail	132.2	96
Yantai Joy City Shopping Mall	Yantai	Retail	35.5	96
Chengdu Joy City Shopping Mall	Chengdu	Retail	142.7	98
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	78.9	97
Suzhou Joy City Shopping Mall	Suzhou	Retail	74.0	96
Chongqing Joy City Shopping Mall	Chongqing	Retail	17.5	86
Wuhan Joy City Shopping Mall	Wuhan	Retail	57.2	96
Chengdu Tianfu Joy City	Chengdu	Retail	23.0	98
Beijing Xidan Joy City Offices	Beijing	Office	18.3	87
Beijing COFCO Plaza Offices	Beijing	Office and Retail	140.2	93
Hong Kong COFCO Tower	Hong Kong	Office and Retail	30.2	88
Total			<u>1,701.4</u>	

The table below sets forth the rental income and occupancy rates of the Group's major investment properties for the first half of 2023:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	301.6	96
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	335.8	98
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	226.3	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	91.7	90
Shenyang Joy City Shopping Mall	Shenyang	Retail	125.8	89
Yantai Joy City Shopping Mall	Yantai	Retail	40.4	86
Chengdu Joy City Shopping Mall	Chengdu	Retail	145.0	95
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	73.8	97
Suzhou Joy City Shopping Mall	Suzhou	Retail	65.3	90
Chongqing Joy City Shopping Mall	Chongqing	Retail	12.7	81
Wuhan Joy City Shopping Mall	Wuhan	Retail	47.6	92
Beijing Xidan Joy City Offices	Beijing	Office	18.5	83
Beijing COFCO Plaza Offices	Beijing	Office and Retail	136.6	90
Hong Kong COFCO Tower	Hong Kong	Office and Retail	29.3	83
Beijing COFCO • Landmark Tower*	Beijing	Office and Retail	75.8	83
Fraser Suites Top Glory Shanghai*	Shanghai	Serviced apartment	67.6	91
Total			<u>1,793.8</u>	

* As of the end of 2023, the sales of the entire equity interests of the Group's subsidiaries holding COFCO • Landmark Tower and Fraser Suites Top Glory Shanghai were completed.

Business Review on Property Development

During the period under review, the Group's revenue derived from property development business was RMB5,975.4 million, representing a year-on-year increase of 494.7%. The settlement area of properties delivered was approximately 257,768 sq.m., representing a year-on-year increase of 233%. The average settlement unit price was approximately RMB23,035 per sq.m., representing a year-on-year increase of 78%. The gross profit margin of the property development business was 15% and the gross profit margin for the period decreased by 1 percentage point as compared with the corresponding period of last year.

The Group's property development business focuses on enhancing its marketing capabilities, continuously innovating its marketing model, building Benchmark Projects, and actively responding to market downturns. The Group's contracted sales for the period under review increased by 40.1% year on year to approximately RMB14,756.1 million. Contracted sales area was 447,199.0 sq.m., representing a year-on-year increase of 13.4%. The average unit selling price was approximately RMB32,996.7 per sq.m., representing a year-on-year increase of 23.5%.

For the first half of 2024, the Group's contracted sales amount and contracted sales area by region are as follows:

Region*	Contracted sales amount		Contracted sales area	
	For the six months ended 30 June		For the six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)	2024 (sq.m.)	2023 (sq.m.)
Eastern China	9,531.6	2,195.3	216,398.0	59,153.1
Northwest China	1,798.2	–	91,917.1	–
Nanjing	1,452.1	1,721.2	72,396.5	83,518.0
Hainan	723.5	1,022.3	24,469.9	34,624.6
Southwest China	572.4	1,954.8	23,412.2	122,012.6
Southern China	568.4	1,109.9	15,578.5	24,471.9
Northern China	109.9	2,531.6	3,026.8	70,631.6
Total	<u>14,756.1</u>	<u>10,535.1</u>	<u>447,199.0</u>	<u>394,411.8</u>

* During the period under review, Northeast China and Beijing combined into Northern China, Central China and Southwest China combined into Southwest China, and Zhejiang and Shanghai combined into Eastern China.

Business Review on Hotel Operations

The Group strengthened its operations to continuously improve customer experience and operational efficiency with a strategic-driven and city-and project-specific approach and ensure stable performance. During the period under review, the Group's revenue from hotel operations was approximately RMB467.5 million, representing a year-on-year decrease of 12.8%.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Sales revenue from hotel operations (RMB million)	<u>467.5</u>	<u>536.3</u>

The table below sets forth the average occupancy rate, RevPAR and average room rate of each of the Group's major hotels for the first half of 2024:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	68	1,414	2,088
MGM Grand Sanya	Sanya	Resort	91	1,300	1,428
Waldorf Astoria Beijing	Beijing	Business Hotel	70	1,783	2,627
Le Joy Hotel Beijing	Beijing	Hotel	76	578	758

* Cactus Resort Sanya by Gloria has temporarily suspended operations due to outdated assets, and its subsequent asset updates will be carried out.

The table below sets forth the average occupancy rate, RevPAR and average room rate of each of the Group's major hotels for the first half of 2023:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	70	1,661	2,376
MGM Grand Sanya	Sanya	Resort	90	1,562	1,735
Cactus Resort Sanya by Gloria	Sanya	Resort	47	125	270
Waldorf Astoria Beijing	Beijing	Business Hotel	71	1,655	2,333
Le Joy Hotel Beijing	Beijing	Hotel	94	626	666

Business Review on Output Management

The Group adhered to the development strategy of combining asset-light and asset-heavy operations. The Group provided operation service for shopping mall projects including Tianjin Heping Joy City, Shanghai Parkside Joy City, Xi'an Joy City, Shaoxing IFC Joy City and Wuxi Jiangnan Joy City, as well as the office projects of Beijing Huijing Twin Towers and China Post Insurance Jiu'an Plaza, with its brand influence continually enhanced and achieving satisfactory results. During the period under review, the total revenue from output management projects was RMB73.0 million.

FINANCIAL REVIEW

Profit

During the period under review, the Group recorded profit of approximately RMB758.7 million, representing a year-on-year decrease of 39.4%. Profit attributable to owners of the Company amounted to approximately RMB142.6 million, representing a year-on-year decrease of 85.2%, which was mainly due to the decrease in share of profits of joint ventures and the increase in impairment of properties under development for sale. Excluding the total loss of the after-tax fair value loss on investment properties attributable to owners of the Company and the exchange gain attributable to owners of the Company of approximately RMB52.6 million, the core net profit attributable to owners of the Company (non-HKFRSs) was approximately RMB195.2 million, representing a year-on-year decrease of 68.7%.

The reconciliation between the profit attributable to owners of the Company and the core net profit attributable to owners of the Company (non-HKFRSs):

	Six months ended	
	30.06.2024	30.06.2023
	<i>RMB million</i>	<i>RMB million</i>
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	142.6	960.0
Excluding:		
After-tax fair value (losses)/gains on investment properties*	(60.7)	216.7
Exchange gains, net**	8.1	120.1
	<u>(52.6)</u>	<u>336.8</u>
Core net profit attributable to owners of the Company (non-HKFRSs)	<u>195.2</u>	<u>623.2</u>

* *The amount is calculated based on the fair value (losses)/gains on the Group companies' investment properties less related deferred income tax and the Group's shareholding ratio in the respective companies.*

** *The amount is calculated based on the Group companies' exchange gains/(losses) and the Group's shareholding ratio in the respective companies.*

LIQUIDITY AND FINANCIAL POSITION

	30 June	31 December
	2024	2023
	<i>RMB (million)</i>	<i>RMB (million)</i>
	(Unaudited)	(Audited)
Total assets	143,015.2	143,619.1
Cash and cash equivalents		
(including restricted bank deposits and pledged deposits)	19,856.7	19,480.8
Total interest-bearing borrowings*	46,054.8	44,295.6
Total equity	56,163.4	56,437.3
Current ratio	1.60	1.63
Net debt to total equity ratio**	46.6%	44.0%
Weighted average borrowing cost	4.39%	4.49%

*: *Total borrowings include bank borrowings, loans from fellow subsidiaries, associates, joint ventures, non-controlling shareholders and third parties, and corporate bonds.*

** : *The net debt to total equity ratio is calculated as net debt divided by total equity, in which the net debt is calculated as total interest-bearing borrowings less cash and bank balances, and restricted and pledged bank deposits.*

As at 30 June 2024, the Group had total assets of approximately RMB143,015.2 million (31 December 2023: approximately RMB143,619.1 million). The total equity was approximately RMB56,163.4 million, which was basically the same as RMB56,437.3 million as at 31 December 2023.

As at 30 June 2024, bank and other interest-bearing borrowings amounted to approximately RMB46,054.8 million, representing an increase of 4.0% from RMB44,295.6 million as at 31 December 2023. The net debt to total equity ratio was approximately 46.6%, representing an increase of 2.6 percentage points as compared to 44.0% as at 31 December 2023. Among the interest-bearing borrowings, approximately 76% were denominated in RMB while approximately 24% were denominated in HKD and USD.

The Group is committed to optimizing its capital structure and reducing financing costs. COFCO Commercial Property Investment Co., Ltd., a non-wholly owned subsidiary of the Company, issued a 3+2-year term of unsecured corporate bonds of RMB700 million on the Shenzhen Stock Exchange in January 2024, with a coupon rate of 3.13%, and with options for the subsidiary to adjust the coupon rate and bondholders to sell back the bonds at the end of the third year.

During the period under review, the Group maintained good relationships with banks and actively broadened financing channels to optimize its financing structure, and the average financing cost stood at 4.39%, which remained at a relatively low level in the industry.

As at 30 June 2024, the Group had banking facilities of RMB63,797 million, of which unused facilities amounted to RMB29,570 million, all denominated in RMB, HKD and USD, indicating that Group had adequate access to financing and sufficient credit facilities.

In view of the Group's current cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

EMPLOYEES AND REMUNERATION POLICY

The Group attaches great importance to the selection, employment, training and retainment of talents. In this regard, the Group keeps improving its selection and employment mechanisms, expands recruitment channels, and places equal emphasis on social recruitment and campus recruitment, with the aim to build a diversified talent team. At present, the Group has established core training projects, including "Core Team Training Camp", "Golden Helmsman", "Golden Seed", "Class 3040", "Sword Casting Plan", "New Joy Training Camp", "Future Star Training Camp" and "Joy Seminar", with on-going efforts to improve its online learning system and revitalize internal training resources to create an all-round talent training system. Through internal recruitment, rotation training and basic training of young beginners and other forms, the Group has opened up channels for internal talents exchange. The Group provided employees with competitive salaries and comprehensive benefits by reference to prevailing market pay levels, further optimized its incentive system and adopted a performance-oriented approach to motivate its employees. These efforts have enabled the Group to create a human resources management system with a focus on achieving "common development of employer and employees", build a competent and efficient workforce and maintain harmonious and consistent labor relations with its employees, providing strong talent support for the Group in achieving its strategic objectives. During the period under review, the Group had a total of 3,457 employees.

The employees of the Group’s subsidiaries which operate in the Mainland of China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. Further, the Group’s principal retirement benefits scheme available to its Hong Kong employees, namely the Mandatory Provident Fund, is also a defined contribution scheme which is administered by independent trustees. The Group is required to contribute to the Mandatory Provident Fund based on a certain percentage of the employees’ salaries. The contributions made by the Group to the defined contribution schemes above are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution schemes. The only obligation of the Group with respect to such defined contribution schemes is to make the specified contributions. During the period under review, there was no forfeited contributions under the defined contribution schemes above. Accordingly, there was no forfeited contribution used by the Group during the year or available for the Group to reduce its existing level of contributions during the period under review.

BUSINESS OUTLOOK

Looking ahead to the second half of 2024, it is expected that the country will intensify its policy efforts, focus on expanding domestic demand, stimulate residents’ consumption potential, promote the improvement and expansion of service consumption, and support the high-quality development of the consumption sector. At the local level, with regard to boosting consumption, it is expected that local governments will introduce more policies on fostering and developing “international consumption centers”, supporting the quality enhancement of commercial districts, creating new consumption scenes, expanding new types of consumption, and strengthening digital consumption, etc., so as to improve the quality of consumer services, continuously expand domestic demand and stimulate consumption. In the future, the Group will continue to pursue its positioning as a “service provider of urban operation and better life”, closely monitor new consumer trends, proactively leverage local consumption promotion policies, capitalize on the advantages of commercial projects, and strive to enhance brand influence and commercial competitiveness, with the aim of achieving favorable operating results.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2024, the Company has complied with all applicable code provisions, and also complied with certain recommended best practices, of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “CG Code”), except for a deviation from code provision C.2.1, as indicated below.

Following the resignation of Mr. CHEN Lang as the chairman of the Board of the Company (the “Chairman”) on 28 June 2024, Mr. YAO Changlin (“Mr. YAO”), who serves as the executive Director and the general manager of the Company (the “General Manager”), was appointed as the Chairman, thereby assuming the dual responsibilities of the Chairman and the General Manager. Mr. YAO’s tenure of over 30 years within the COFCO Group and coupled with his involvement in the Company since its listing, has demonstrated suitable management and leadership capabilities, alongside a deep understanding of the Group’s business and strategy. By vesting the roles of both the Chairman and the General Manager in Mr. YAO can facilitate a smooth and continuous execution of the Group’s business strategies and enhance operational effectiveness. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is not inappropriate. While the positions of Chairman and the General Manager are not separate, the powers and authorities have not been concentrated as major decisions are made in consultation with the Board and appropriate Board committees, as well as senior management. Moreover, the Board consists of four non-executive Directors and three independent non-executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that this structure strikes the right balance of power to protect the interests of the Company and its Shareholders.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules as the code of conduct regulating Directors’ dealings in securities of the Company (the “Securities Dealings Code”). All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the six months ended 30 June 2024.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the “Interim Results”) have been reviewed by the auditor of the Company, SHINEWING (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The auditor’s independent report on review of the Interim Results will be set out in the 2024 interim report. The Interim Results have also been reviewed by the Audit Committee and the senior management of the Company.

EVENTS AFTER THE END OF THE PERIOD UNDER REVIEW

Save as disclosed elsewhere in this announcement and the Company's announcement regarding the discloseable transaction – provision of financial assistance dated 23 August 2024, there was no other important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders after 30 June 2024 and up to the date of this announcement.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“COFCO Corporation”	COFCO Corporation (中糧集團有限公司), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the holding company of Grandjoy Holdings Group and thus an indirect controlling shareholder of the Company;
“Company”	Joy City Property Limited (大悅城地產有限公司), a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 207);
“Director(s)”	the director(s) of the Company;
“Grandjoy Holdings Group”	Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司), a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000031) and a controlling shareholder of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

“PRC or China”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Shares;
“sq.m.”	square metre(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English names. In the event of any inconsistency, the Chinese name prevails.*

By order of the Board
Joy City Property Limited
YAO Changlin
Chairman

The PRC, 29 August 2024

As at the date of this announcement, the Board comprises Mr. YAO Changlin as Chairman and executive Director; Mr. CHEN Lang, Mr. ZHANG Hongfei, Mr. ZHANG Mingrui and Mr. WU Lipeng as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent non-executive Directors.