



中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.



(Incorporated in Hong Kong with limited liability)
(於香港註冊成立之有限公司)

Stock Code 股份代號 : 00688

逆勢爭先
行穩致遠

*Marching against Headwinds
for Lasting Success*

2024

Interim Report 中期報告



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Corporate Structure



* Property development in 87 major cities in Chinese mainland, including Beijing, Shanghai, Guangzhou, Shenzhen, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Ezhou, Foshan, Fuzhou, Guiyang, Haikou, Hangzhou, Harbin, Jiangmen, Jiaxing, Jinan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Sanya, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Taizhou (台州), Tianjin, Urumqi, Wanning, Weihai, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an, Yantai, Zhangzhou, Zhaoqing[^], Zhengzhou, Zhenjiang[^], Zhongshan, Zhuhai, Anqing[#], Baotou[#], Changzhou[#], Chuzhou[#], Danyang[#], Ganzhou[#], Guilin[#], Hefei[#], Hohhot[#], Huai'an[#], Huangshan[#], Huizhou[#], Jilin[#], Jinhua[#], Jining[#], Jiujiang[#], Langfang[#], Lanzhou[#], Linyi[#], Liuzhou[#], Nanning[#], Nantong[#], Qingyuan[#], Quanzhou[#], Shantou[#], Shaoxing[#], Taizhou (泰州)[#], Tangshan[#], Tianshui[#], Weifang[#], Weinan[#], Xining[#], Xuzhou[#], Yancheng[#], Yangzhou[#], Yinchuan[#], Zhanjiang[#], Zhuzhou[#], Zibo[#], Zunyi[#] as well as in Hong Kong and Macau

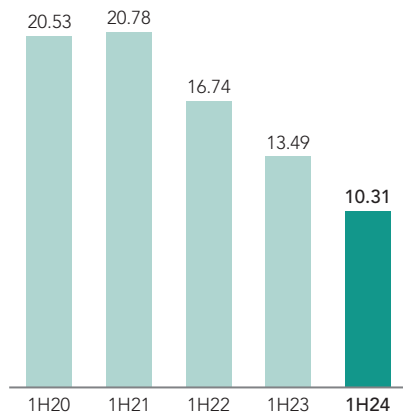
[^] The cities where both China Overseas Land & Investment Limited (the "Company") and its subsidiaries (collectively known as the "Group") and China Overseas Grand Oceans Group Limited ("COGO") have operations

[#] The cities where COGO has operations

Financial Highlights

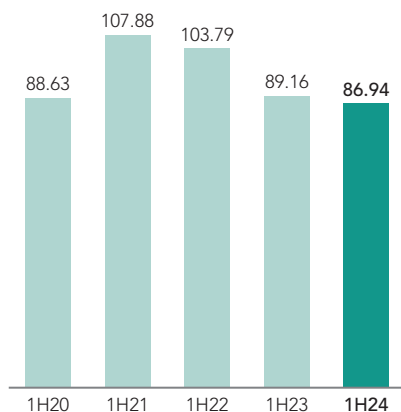
Profit Attributable to Owners of the Company

RMB billion



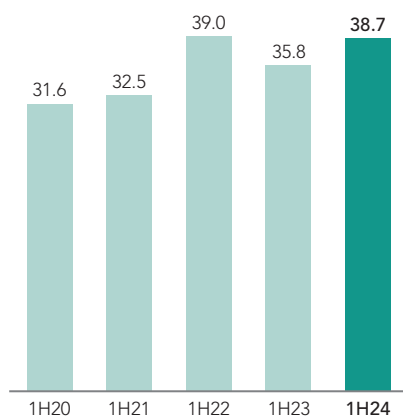
Revenue

RMB billion



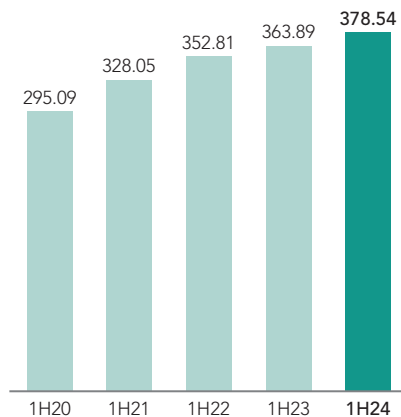
Net Gearing[#]

%



Equity attributable to Owners of the Company

RMB billion



[#] Net gearing is calculated based on the total debt less bank balances and cash divided by total equity (including non-controlling interest).



Board of Directors and Committees

Executive Directors

Yan Jianguo *Chairman*
Luo Liang* *Vice Chairman*
Zhang Zhichao *Chief Executive Officer*
Guo Guanghui *Vice President*

Non-Executive Directors

Zhuang Yong *Vice Chairman*
Zhao Wenhai

Independent Non-Executive Directors

Li Man Bun, Brian David
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

Authorised Representatives

Yan Jianguo
Luo Liang*
Guo Guanghui[#]

Audit and Risk Management Committee

Li Man Bun, Brian David (*Chairman*)
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

Remuneration Committee

Chan Ka Keung, Ceajer (*Chairman*)
Li Man Bun, Brian David
Chan Ching Har, Eliza

Nomination Committee

Chan Ching Har, Eliza (*Chairman*)
Li Man Bun, Brian David
Chan Ka Keung, Ceajer

Corporate Governance Committee

Chan Ka Keung, Ceajer (*Chairman*)
Li Man Bun, Brian David
Chan Ching Har, Eliza
Luo Liang*

* retired with effect from 29 August 2024

[#] appointed with effect from 29 August 2024

Registered Office

10/F., Three Pacific Place
1 Queen's Road East, Hong Kong
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
Website : www.coli.com.hk

Company Secretary

Edmond Chong

Registrar and Transfer Office

Tricor Standard Limited
17/F, Far East Finance Centre,
16 Harcourt Road, Hong Kong
Telephone : (852) 2980 1333
Facsimile : (852) 2810 8185
E-mail : is-enquiries@hk.tricorglobal.com

Investor Relations

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.ir@cohl.com

Public Relations

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.pr@cohl.com

Independent Auditor

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

Principal Bankers (In Alphabetical Order)

Agricultural Bank of China
Bank of Beijing
Bank of China
Bank of Communications Co., Ltd.
China Citic Bank
China Construction Bank Corporation
China Merchants Bank
DBS Bank Ltd.
Industrial and Commercial Bank of China
Industrial Bank Co., Ltd.
Mizuho Bank, Ltd.
Nanyang Commercial Bank, Limited
OCBC Bank (Hong Kong) Limited
Shanghai Pudong Development Bank Co., Ltd.
The Hongkong and Shanghai Banking
Corporation Limited



Corporate Information (Continued)

Listing

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and certain notes and corporate bonds issued by the Company's subsidiaries are listed on the Hong Kong Stock Exchange and/or other exchanges.

Stock Code

Shares

Hong Kong Stock Exchange	:	00688
Bloomberg	:	688:HK
Reuters	:	0688.HK

Financial Calendar

Interim results announcement	:	28 August 2024
Ex-dividend date	:	16 September 2024
Closure of Register of Members	:	19 September 2024
Record date for interim dividend	:	19 September 2024
Despatch of dividend warrants	:	4 October 2024

In the first half of 2024, the property market continued its downward trend, with data from the National Bureau of Statistics of China showing that national new home sales fell by 25% compared to the corresponding period last year, equivalent to only 50.7% of the industry's high point in the first half of 2021.

In the midst of the market downturn, the Group has coordinated development and security, promoted stability through progress, and proactively responded to various difficulties and challenges so as to continue to create value for the shareholders. During the period, S&P Global upgraded the Group's credit rating to "A-/Stable" from "BBB+/Stable", making the Group the only Chinese property developer holding double-A in the international credit ratings, reflecting international rating agencies' full affirmation of the Group's smooth capital pipeline, sound business fundamentals, and robust ability to sustain development during an industry downturn.

In the first half of the year, the Group Series of Companies achieved contracted property sales of RMB148.38 billion, and its domestic market share increased by 0.49 percentage points to 3.15% as compared with the end of 2023. According to data from the China Index Academy, the attributable sales of the Group Series of Companies ranked No.1 in the industry in the first half of the year.

The unaudited revenue of the Group for the six months ended 30 June 2024 was RMB86.94 billion; profit attributable to owners of the Company was RMB10.31 billion; core profit attributable to owners of the Company was RMB10.64 billion. Equity attributable to owners of the Company amounted to RMB378.54 billion. The Board declared an interim dividend of HK30 cents per share for the six months ended 30 June 2024.

The Group's strategy of strongly focusing on first-tier cities has proven resilient and yielded fruitful results in the downward market. In the first half of the year, the Group achieved contracted sales of RMB74.40 billion in the four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, accounting for 62.7% of the Group's total contracted sales. These included the high-rise apartments of Arbour I in Shanghai, which were unveiled on 28 March and almost sold out on the same day with contracted sales of RMB19.65 billion, setting a national record for total contracted sales of a single residential project on the day of its launch. Infinite Horizons, the Group's inaugural high-end project series, debuted in Beijing, Shanghai, Shenzhen and other cities, geared towards customers aiming better housing, and reported strong sales that buck the market trend.



Chairman's Statement (Continued)

The Group's revenue from commercial properties grew steadily and amounted to RMB3.54 billion in the first half of the year, an increase of 19.8% as compared to the corresponding period last year.

In the first half of the year, despite the increasing market uncertainty, the Group maintained its disciplined investment focus on selecting highest-quality assets. The Group acquired 6 land parcels with a total land premium of RMB12.89 billion and the corresponding newly added saleable resources of RMB27.99 billion.

The Group sustained its financial soundness and strong cost advantage. At 30 June 2024, the Group's liability-to-asset ratio was 56.1% and net gearing was 38.7%, while it maintained its status as a "green category" enterprise. The Group had bank balances and cash of RMB100.24 billion, and continued to achieve positive operating cash flow. The Group's weighted average borrowing cost was 3.5% in the first half of the year, among the lowest in the industry. The Group's selling and distribution expenses and administrative expenses in total accounted for 3.9% of revenue, an industry-leading cost-efficiency ratio.

Looking ahead, the domestic economy and property market will continue to face multiple pressures and challenges. The Group has always positively held that there is "opportunity in crisis" and believes that the "Three Areas of Resilience" will facilitate the Group to further sharpen its competitive edge amid the industry's major changes and to maintain steady and sustainable development at a high-quality level.

The first is the strong resilience of the Chinese economy. Although the domestic economy still faces the challenge of triple pressure from shrinking demand, disrupted supply and weakening expectations, the long-term trend of economic improvement has not changed. In the first half of the year, GDP grew 5% year-on-year, a growth rate that reflects the economy's strong resilience, continuing the upturn and improving trend, steady progress, and providing robust support for the stabilisation of the property market.

The second resilience is the demand for better housing. People's pursuit of a better life is the fundamental driving force for economic development. Despite significant changes in real estate supply and demand, and with the residential market as a whole shifting to a stock market, there remain structural opportunities of enormous scale in first- and second-tier major cities. The demand for better housing, on which the Group is strongly focused, remains a huge, multi-trillion-yuan market.

The third resilience is the Group's sustainability. During the downturn and transition of the industry, the Group was strategically determined, financially sound and well-funded, with a property portfolio of premium value and extent, and rising market share in the face of headwinds, further highlighting its brand advantage in first- and second-tier major cities. The Group's residential development business has consistently maintained industry-leading product strength and profitability, while its commercial property revenue is in a period of rapid growth. The Group has more than adequate financial capacity to cope with market volatility risks, solid resources to seize opportunities that arise from market realignment, and the resilience to develop both offensively and defensively. The Group is confident of delivering a robust and excellent operational performance to reward the trust of its shareholders.

In 2024, the Group has been established for 45 years. It has weathered many economic cycles and fluctuations in the property market, and stood firm as an industry leader. The Group will continue to adhere to its core value of "Customer-oriented, Quality Assurance and Value Creation", and uphold its business philosophy of "Good Products, Good Services, Good Effectiveness, Good Citizen". The Group will collaborate with its peers to facilitate the smooth transition of the real estate industry to a new development model and lead the industry with quality development in the next phase.

Finally, I would like to take this opportunity to express my sincere gratitude to our domestic and overseas customers, the shareholders and the whole community for their support and trust. I would also like to express my heartfelt gratitude to my fellow directors and all employees for their dedication and determination to pursue excellence.

China Overseas Land & Investment Limited

Yan Jianguo

Chairman and Executive Director

Management Discussion & Analysis

Overall Performance

During the period, the revenue of the Group was RMB86.94 billion. The operating profit was RMB16.06 billion. The gross profit margin was 22.1% and the net profit margin attributable to owners of the Company was 11.9%. The ratio of selling, distribution and administrative expenses to revenue was 3.9%. Profit attributable to owners of the Company was RMB10.31 billion. Core profit attributable to owners of the Company was RMB10.64 billion. Basic earnings per share was RMB0.94.

Property Development

In the first half of 2024, the contracted property sales of the Group Series of Companies was RMB148.38 billion and the corresponding sales area was 5.44 million sq m.

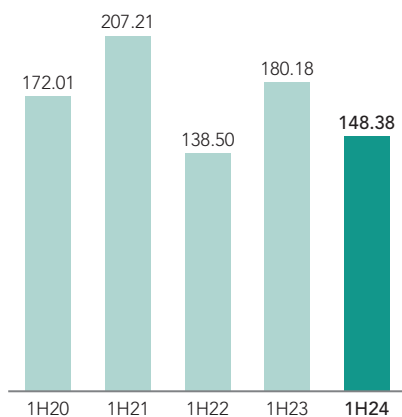
In the first half of 2024, the Group Series of Companies' contracted property sales and the corresponding sales area by region were as follows:

	Contracted property sales (RMB billion)	Proportion (%)	Sales area ('000 sq m)	Proportion (%)
Southern Region	26.78	18.0	751	13.8
Eastern Region	45.95	31.0	815	15.0
Central and Western Region	12.48	8.4	875	16.1
Northern Region	30.23	20.4	957	17.6
Hong Kong, Macau and Overseas Region	3.27	2.2	15	0.3
Sub-total for the Company and its subsidiaries	118.71	80.0	3,413	62.8
Joint ventures and associates of the Company (excluding COGO)	10.65	7.2	370	6.8
China Overseas Grand Oceans Group Limited ("COGO")	19.02	12.8	1,656	30.4
Total	148.38	100	5,439	100

Property Development (Continued)

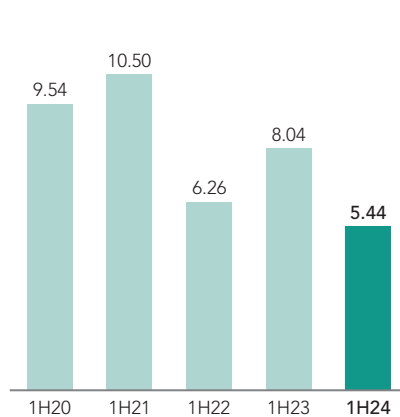
Contracted Property Sales Amount*

RMB billion



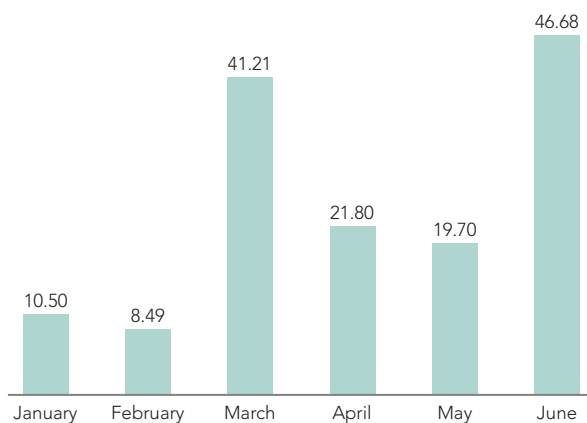
Contracted Property Sales Area*

million sq m



Contracted Property Sales Amount By Month*

RMB billion



* Representing the Group Series of Companies

Property Development (Continued)

The Group adheres to cash flow management as its core policy, seeking to boost sales proceeds collection. In the first half of the year, five cities had sales proceeds collections exceeding RMB5 billion: Shanghai, Beijing, Guangzhou, Shenzhen and Tianjin. Among them, sales proceeds collection in Shanghai and Beijing exceeded RMB20 billion and RMB10 billion respectively.

During the period, the Group's revenue from property development was RMB82.04 billion.

During the period, the net profit contribution to the Group from associates and joint ventures amounted to RMB0.62 billion.

The major associate, COGO, recorded contracted property sales of RMB19.02 billion, revenue of RMB21.85 billion, and profit attributable to owners of COGO of RMB0.88 billion.

During the period, the Group Series of Companies (excluding COGO) completed projects with a total GFA of 3.16 million sq m in 17 Chinese mainland cities.

The table below showed the area of projects completed by region in the first half of 2024:

City	Total GFA ('000 sq m)
Southern Region	
Shenzhen	346
Nanchang	176
Changsha	148
Xiamen	141
Zhuhai	64
Sub-total	875
Eastern Region	
Qingdao	222
Nanjing	126
Ningbo	90
Jinan	68
Suzhou	47
Sub-total	553

Management Discussion & Analysis (Continued)

Property Development (Continued)

The table below showed the area of projects completed by region in the first half of 2024:
(Continued)

City	Total GFA ('000 sq m)
Central and Western Region	
Taiyuan	451
Chongqing	170
Wuhan	89
Guiyang	52
Sub-total	762
Northern Region	
Beijing	528
Tianjin	362
Shenyang	82
Sub-total	972
Total	3,162

Property Development (Continued)

During the period, the Group acquired 6 land parcels in 4 Chinese mainland cities, adding a total GFA of 1.17 million sq m to the land reserve (attributable GFA of 1.15 million sq m). The total land premium was RMB12.89 billion (attributable land premium of RMB12.03 billion).

The table below showed the details of land parcels added in the first half of 2024:

City	Name of Development Project	Attributable Interest	Land Area ('000 sq m)	Total GFA ('000 sq m)
Tianjin	Hexi District Project	100%	25	78
Xi'an	Hi-tech Industrial Development Zone Project	100%	18	64
Beijing	Shijingshan District Project	100%	68	316
Beijing	Haidian District Project	70%	25	70
Xi'an	Yanta District Project	100%	85	444
Jinan	Huaiyin District Project	100%	47	197
Total			268	1,169

At 30 June 2024, the Group Series of Companies (excluding COGO) had a total land reserve of 33.22 million sq m in GFA (attributable GFA of 28.86 million sq m).

During the period, total GFA of COGO's land reserve increased by 0.25 million sq m. At 30 June 2024, COGO's total land reserve was 15.83 million sq m in GFA (attributable GFA of 13.05 million sq m).

The total GFA of the Group Series of Companies' land reserve reached 49.05 million sq m.

Commercial Property Operations

The Group has always adhered to a high-quality development strategy, and is deeply engaged in urban development, focusing on creating real estate asset management platform with office buildings and shopping malls as its core, and long-term leased apartments, hotels, logistics and industrial parks, senior living and elderly care, and more as other elements. The Group's business model is uniquely robust, achieving ascendancy through steadily building strengths for high-quality development and adopting a multi-pronged approach to create development that is balanced in scale and efficiency.

During the period, revenue from the Group's commercial properties amounted to RMB3.54 billion, an increase of 19.8% as compared to the corresponding period last year, of which revenue from office buildings amounted to RMB1.76 billion; revenue from shopping malls amounted to RMB1.11 billion; revenue from long-term leased apartments amounted to RMB0.12 billion and revenue from hotels and other commercial properties amounted to RMB0.55 billion.

In the first half of 2024, the Group's office buildings business, under the downward pressure of the market, relied on the influence of its brand and its well-established commercial property asset management capabilities to maintain sound operations. During the period, newly contracted GFA was 560,000 sq m, which drove revenue to grow by 6.4%, against the prevailing trend. The Group continued to optimise the tenant mix, resulting in stable and sustainable operations.

The shopping mall business maintained rapid growth, with revenue increasing significantly by 57.6% as compared to the corresponding period last year. Operational efficiency continued to improve, with period-end occupancy reaching 96.6%. Among these properties, Zhenru Unipark MAX in Shanghai has been honoured with multiple industry awards, including the "2024 China Real Estate Commercial Management "International Consumption" Benchmarking Project (Enterprise) Award" and "LEIDEN Business Academy — 2024 Shopping Centre Innovation Leadership Award". These accolades recognised the outstanding performance of Zhenru Unipark MAX. The benchmark influence of the Group's commercial property continued to increase.

The Group's asset-light management business has successfully grown. During the period, the Group signed a total of three new contracts for the management of external commercial properties, located in the core areas of higher-tier cities such as Beijing and Shenzhen, further demonstrating the value of professional asset management services.

Other Businesses

During the period, other businesses' revenue from external and internal customers of the Group amounted to RMB3.40 billion. Other businesses' revenue from external customers was RMB1.36 billion. Among this, the external revenue from material procurement and supply chain management services amounted to RMB0.98 billion.

Liquidity, Financial Resources and Debt Structure

The Group adheres to the principle of prudent financial fund management, without breaching any of the "Three Red Lines" metrics, and maintained its status as a "green category" enterprise. The Group continues to lead the industry by various indicators. At 30 June 2024, the net current assets were RMB376.08 billion, the current ratio was 2.4 times, net gearing was 38.7%; and the bank balances and cash were RMB100.24 billion, with industry-leading liquidity. During the period, the Group's weighted average borrowing cost was 3.5%, among the lowest in the industry.

During the period, S&P Global upgraded the Group's credit rating to "A-/Stable" from "BBB+/Stable", marking the Group as the only listed Chinese property developer rated "A-" by S&P Global. With this upgrade, the Group consistently maintained its leading position in China's real estate industry in terms of the credit ratings across the three major international rating agencies.

The Group continued to leverage the advantages of its dual onshore and offshore financing platforms, actively responded to the impact of fluctuations in domestic and overseas interest rates and foreign exchange rates on the international capital markets, flexibly utilised a variety of tools, and optimised financing structure. In the first half of 2024, the Group raised funds from onshore and offshore debt financing amounting to RMB43.83 billion, and RMB46.87 billion of debt was repaid early or on schedule, with a total net debt repayment of RMB3.04 billion. The Group's overall interest-bearing debt remained stable, with various funding costs declining moderately in the first half of the year. Among these, the Group repaid early or on schedule offshore HK-dollar-denominated bank loans equivalent to RMB11.34 billion and US-dollar-denominated guaranteed notes equivalent to RMB4.99 billion, the Group will have no outstanding offshore debt due on 2024. The Group obtained various low-interest onshore bank loans totalling RMB25.06 billion, comprising development loans, operating loans and more. It also successfully issued two tranches of low-interest corporate bonds totalling RMB6.00 billion.

Liquidity, Financial Resources and Debt Structure (Continued)

During the period, the Group's sales proceeds collection was RMB90.82 billion and commercial property and other operating cash collection was RMB6.87 billion. The operating cash collection amounted to RMB97.69 billion. The capital expenditure payments for the Group were RMB81.50 billion (of which RMB55.54 billion was for land costs and RMB25.96 billion was for construction expenditure). At 30 June 2024, the Group had unpaid land premiums of RMB9.90 billion.

At 30 June 2024, the Group had bank and other borrowings amounting to RMB169.75 billion while guaranteed notes and corporate bonds amounted to RMB85.82 billion. Total debt amounted to RMB255.57 billion, while bank and other borrowings and corporate bonds due to mature in the second half of the year amounted to RMB13.77 billion. The Group's total debt maturing within one year amounted to RMB39.67 billion, accounting for 15.5% of the total debt. Among the total debt, 74.8% was denominated in RMB, 14.2% was denominated in HK dollars, 10.6% was denominated in US dollars and 0.4% was denominated in pounds sterling. The fixed-rate debt accounted for 45.9% of total debt while the remainder was floating-rate debt.

At 30 June 2024, the Group's available funds amounted to RMB144.21 billion comprising bank balances and cash of RMB100.24 billion and unutilised banking facilities of RMB43.97 billion. Among the bank balances and cash, 94.2% was denominated in RMB, 4.6% was denominated in HK dollars, 0.9% was denominated in US dollars, 0.2% was denominated in pounds sterling and a small amount was denominated in other currencies, while the above bank balances and cash also included regulated pre-sales proceeds of properties of RMB24.88 billion.

In the first half of 2024, China's economy sustained a relatively high growth rate and low inflation as the global economy recovered. The Central Government implemented a policy of monetary easing and proactive fiscal measures. The global economic outlook improved somewhat, but interest rates remained high overall and the US dollar index remained strong, while the foreign exchange markets remained volatile. During the period, the Group actively reduced its non-RMB net debt exposure. The Group repaid early or on schedule offshore HK-dollar-denominated bank loans and US-dollar-denominated guaranteed notes equivalent to RMB16.33 billion in total, reducing foreign currency debt and increasing RMB financing. At 30 June 2024, the proportion of debt denominated in RMB increased to 74.8%, up 4.5 percentage points from the end of 2023. The Group's exchange rate management is mainly through natural hedging, and it has not participated in any speculative trading of derivative financial instruments, but will carefully consider whether to conduct currency and interest rate swaps at an appropriate time to hedge against corresponding risks. The Board believes that the Group's exchange rate and interest rate risks are relatively controllable.

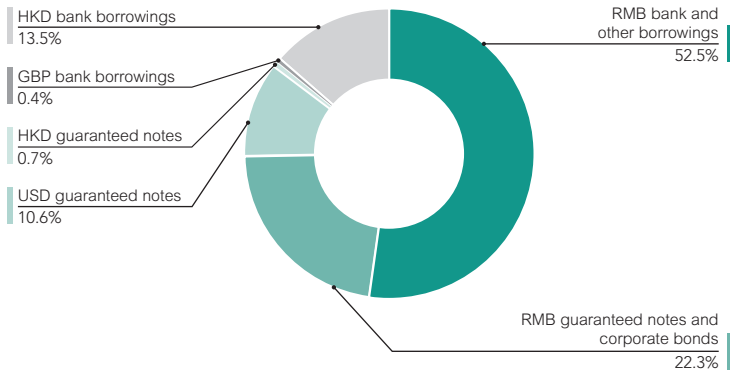
Liquidity, Financial Resources and Debt Structure (Continued)

Interest-Bearing Debt Maturity Profile
At 30 June 2024

RMB billion



Interest-Bearing Debt by Currency
At 30 June 2024



Contingent Liabilities

At 30 June 2024, the Group provided guarantees amounting to RMB57.80 billion for the repayment of the mortgage bank loans granted to purchasers of the Group's properties. The Group had counter indemnities amounting to RMB1.60 billion for guarantees issued in respect of certain construction contracts undertaken by the Group.

In addition, at 30 June 2024, the Group had provided guarantees to banks amounting to RMB40 million, RMB11.00 billion and RMB0.26 billion in respect of credit facilities granted and utilised by the Group's associates, joint ventures and other entity respectively.

The Group has never incurred any loss in the past as a result of granting such guarantees.

Charge of Assets

At 30 June 2024, certain of the Group's assets with carrying values of RMB127.59 billion have been pledged to secure its bank borrowings, guaranteed notes and corporate bonds.

Sustainable Development

In the first half of 2024, the Group published the 2023 Environmental, Social and Governance Report alongside the 2023 Annual Report. The ESG Report obtained independent third-party AA1000 verification from the British Standards Institution for another consecutive year, further enhancing the credibility and transparency of the report and responding to the capital market's information disclosure needs.

The Group has consistently adhered to the sustainable development path of "A Company of Four Excellences", garnering high recognition from international authoritative agencies and capital markets for its ESG management achievements. The Group has been included in the Hang Seng Corporate Sustainability Index Series for 14 consecutive years and has been selected as a constituent of the FTSE4Good Index Series for eight years in a row. In global ESG ratings, the Group has continuously surpassed the industry average, and Sustainalytics further lowered the risk indicator of the Group, ranking it as Top 1 among Chinese mainland developers and among the top 10% globally. Domestic major ESG rating agencies have also lauded the Group with the highest industry ratings such as AAA by QuantData, AA by Wind, and A- by SynTao Green Finance. Furthermore, in the 2024 Asia Executive Team survey conducted by Institutional Investor, the Group was honoured with awards such as "Most Honoured Company", "Best ESG", and "Best Board of Directors" in the Asia Pacific property industry for another consecutive year, reaffirming its industry leadership and commitment to excellence.

Sustainable Development (Continued)

In addressing climate change, the Group has followed the Recommendations of the Task Force on Climate-related Financial Disclosures to disclose its performance and outcomes in managing climate change since 2020. In the first half of 2024, the Group has formulated climate adaptation measures, covering mitigation, control, transfer, and acceptance. Plans are underway to evaluate the financial feasibility and actual efficacy of these climate adaptation measures.

As a leading enterprise in the real estate sector, the Group has been actively aligned itself with China's 14th Five-Year Plan and the "3060 Decarbonisation Targets", integrating green and low carbon practices into its business strategy and development, implementing carbon reduction actions in phases and promoting low-carbon development across the industrial value chain, to meet the medium-to-long-term decarbonisation targets of reducing at least 30% Scope 1 and 2 carbon emissions intensity per unit area by 2030 (2019 baseline year), and striving to achieve carbon neutrality by 2060.

During the period, the Group has added 17 green certified projects with a corresponding area of 2.22 million sq m. The total number of green building projects has reached 653 with a corresponding area of 109 million sq m.

The Group prioritises people and regards human resources as its most valuable asset. Employee remuneration packages and discretionary bonuses are determined based on performance, experience and the market wage rate. Additionally, the Group offers various employee benefits including provident fund scheme, medical protection and insurance and housing allowances. To further strengthen the occupational health and safety of the employees, suppliers, and contractors, the Group has obtained ISO 45001:2018 Occupational health and safety management systems and continued to optimise relevant policies and training.

During the period, the Group remained committed to driving rural revitalisation in three counties in Gansu province. The Group selected premium local products and deeply participated in the whole process of brand creation, package design and the promotion activities of "Sea of Hope" with accumulative consumption support of tens of millions of RMB.

Sustainable Targets and Progress in 1H 2024

Good Citizen Sustainable Design and Construction



Vision Put environmental and social benefits first when designing products, services and business management model, and assist the country and society in coping with sustainability and climate change challenges

Targets & Progress

Energy efficiency and greenhouse gas emissions

Commercial projects

- Achieved 100% coverage of energy consumption information platform in self-owned office building and shopping mall projects
- Beijing China Overseas Business Centre was awarded “Zero Carbon Demonstration Project for Commercial Buildings” due to its excellent practices in green and low-carbon management and operations

Land risk and biodiversity

Land risk screening was carried out before land acquisition for each project to analyse the risk factors related to the ecological environment such as geological terrain, soil risk, environmental pollution and special protection and identify the environmental risks of the project plot and its surrounding areas

Regional economy and rural revitalisation

Continue to facilitate rural revitalisation in three counties in Gansu Province, assisting in selecting premium local products and deeply participating in the whole process of brand creation, package design, production, quality control and the promotion activities of “Sea of Hope” with accumulative consumption support of tens of millions of RMB.

Green Lease

- Office business focus on collaborating with high-quality enterprises that are in line with the national strategy of carbon neutrality
- 100% of new office tenants signed the COOC Green Leasing Cooperation Plan

Green Investment

- Signed a five-year sustainability linked Hong Kong dollar/RMB dual-currency loan and continued to strengthen sustainable business development
- Opened three Green Time Deposits, with funds directed to support sustainable business development
- Optimised the Sustainable Finance Framework to further enhance its effectiveness and efficiency

Good Services Full-cycle Customer Service



Vision Continuously improve customer satisfaction and strive to be an industry leader in customer relationship management

- Targets & Progress**
- COLI achieved customer satisfaction score of 95 in the first half of 2024
 - Published Ten Criteria for Good Customer Services 2.0, further clarifying the bottom line of customer service



Good Products Creating Enjoyable Space

Vision Adhere to the principle of “Each and Every Detail of Each and Every Project” in conjunction with modern living and working patterns to create new communities integrating functional, healthy and humanistic elements

- Targets & Progress**
- Green and sustainable buildings**
- In the first half of 2024, 17 projects obtained green building certification, with a corresponding total GFA of 2.22 million sq m, bringing the cumulative number to 653 projects with a total GFA of over 109 million sq m
 - Shenzhen China Overseas Building was selected into the first batch of Zero-carbon Building Technology Demonstration Project of the Ministry of Housing and Urban-Rural Development
 - Beijing China Overseas Finance Centre was selected as the Demonstration Project of “R&D and Application of Zero-carbon Building Control Indicators and Key Technologies” of the National Key Research and Development Program under China’s 14th Five-Year Plan

Infrastructure and supporting services In the first half of 2024, affordable housing with a total GFA of 448,000 sq m was under construction, and a total GFA of 4,798,000 sq m was completed

- Community integration and coordinated development**
- Shenzhen China Overseas COLI Hotel advocates green, low-carbon, energy-saving and environmentally friendly lifestyle concepts through its own social media and online platforms, standardise garbage classification, and carries out “Empty Plate” campaign and other green and environmentally friendly activities. As a result, it was awarded the title of “3R Waste-Free Hotel”
 - High-standard senior living projects have been developed, with nearly 1,000 elderly care beds invested in and operational in Tianjin, Jinan, Qingdao and Wuxi as of the first half of 2024
 - The reputation and occupancy rate of China Overseas “Jinnian” elderly wellness brand have continued to improve, and the Beijing project is currently under construction and is anticipated to open in 2025

Good Effectiveness Creating Share Value



Vision	To enhance COLI's value creation capabilities and expedite the progress of sustainability by matching current social needs with COLI's competitive strengths and actively expanding internal and external cooperation	
Targets & Progress	Improve corporate governance	<ul style="list-style-type: none"> 100% of the Company's management and employees (including employees of regional companies, project companies, joint ventures and associates) signed the Work Integrity Responsibility Statement on a yearly basis 100% of business partners (including suppliers and contractors) signed the Integrity Agreement and their corporate credit and integrity records were checked during the Company's procurement process
	Build effective teams	<ul style="list-style-type: none"> Hired 3,467 employees. The ratio of male to female was 2.6:1. Also, the Company employed a self-organised sales team of 1,848 people and 2,929 non-core production and service personnel The average training hours per employee was 47 hours Maintained 100% physical examination and supplementary medical insurance coverage for employees 100% of the subsidiaries established labour unions, and more than 750 employee activities have been carried out in the first half of 2024
	Promote cross-industry cooperation	<ul style="list-style-type: none"> Exchanged with the world's leading sustainability rating agency, GRESB, on corporate social responsibility, ecological platform cooperation and sustainable development training from the perspective of investors Under the guidance of the Chengdu Science and Technology Association, COOC and Zero Carbon College cooperated to develop a low-carbon and environmentally friendly ecosystem plan and held a green and sustainable product exhibition Met with the world's leading healthy building and community assessment organization, International WELL Building Institute, and conducted in-depth discussions on ESG, sustainable building trends and other issues from the perspective of asset management
	Management system certification	Completed a total of 24 management system certifications (ISO 45001:2018 Occupational health and safety management systems certification, ISO 9001:2015 Quality management systems certification, ISO 14001:2015 Environmental management systems certification, ISO 27001:2013 Information security management systems certification, etc)

Condensed Consolidated Income Statement

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	6	86,935,427	89,159,725
Direct operating costs		(67,757,556)	(69,004,646)
		19,177,871	20,155,079
Other income and gains/(losses), net	7	253,112	(13,708)
Gains arising from changes in fair value of investment properties		12,330	2,316,246
Selling and distribution expenses		(2,077,918)	(1,871,274)
Administrative expenses		(1,306,886)	(1,515,954)
Operating profit		16,058,509	19,070,389
Share of profits and losses of Associates		523,253	1,049,149
Joint ventures		95,132	243,889
Finance costs	8	(493,133)	(548,255)
Profit before tax		16,183,761	19,815,172
Income tax expenses	9	(4,656,955)	(5,603,764)
Profit for the period	10	11,526,806	14,211,408
Attributable to:			
Owners of the Company		10,313,630	13,489,777
Non-controlling interests		1,213,176	721,631
		11,526,806	14,211,408
		RMB	RMB
Earnings per share	11		
Basic and diluted		0.94	1.23

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	11,526,806	14,211,408
Other comprehensive income		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translation of subsidiaries of the Company	(343,407)	117,368
Exchange differences on translation of associates	(94,984)	(194,712)
	(438,391)	(77,344)
Other comprehensive income for the period	(438,391)	(77,344)
Total comprehensive income for the period	11,088,415	14,134,064
Total comprehensive income attributable to:		
Owners of the Company	9,870,592	13,398,314
Non-controlling interests	1,217,823	735,750
	11,088,415	14,134,064

Condensed Consolidated Statement of Financial Position

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		7,421,389	6,903,790
Investment properties	13	208,052,776	207,746,168
Goodwill		56,395	56,395
Interests in associates		22,820,921	23,182,151
Interests in joint ventures		23,581,390	23,120,012
Financial assets at fair value through profit or loss		218,173	218,173
Other receivables		193,380	212,050
Deferred tax assets		7,049,373	7,513,453
		269,393,797	268,952,192
Current Assets			
Stock of properties and other inventories		478,158,594	487,640,804
Land development expenditure		8,229,281	8,604,923
Trade and other receivables	14	9,629,092	6,987,106
Contract assets		815,416	993,541
Deposits and prepayments		12,230,688	12,467,286
Deposits for land use rights for property development		539,810	204,520
Amounts due from associates		1,718,676	1,717,436
Amounts due from joint ventures		7,965,220	8,766,323
Amounts due from non-controlling shareholders		4,393,928	3,949,904
Tax prepaid		19,635,474	17,691,023
Bank balances and cash		100,237,072	105,629,033
		643,553,251	654,651,899

Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Current Liabilities			
Trade and other payables	15	65,093,528	85,684,211
Pre-sales proceeds		110,916,113	108,619,041
Dividend payable	12	4,531,182	–
Amounts due to fellow subsidiaries and a related company		2,328,255	2,565,938
Amounts due to associates		4,752,920	4,228,149
Amounts due to joint ventures		3,508,290	4,024,969
Amounts due to non-controlling shareholders		10,433,426	8,648,674
Lease liabilities – due within one year		98,621	94,230
Tax liabilities		26,138,110	30,867,023
Bank and other borrowings – due within one year		16,527,389	21,157,995
Guaranteed notes and corporate bonds – due within one year	16	23,144,766	19,810,287
		267,472,600	285,700,517
Net Current Assets		376,080,651	368,951,382
Total Assets Less Current Liabilities		645,474,448	637,903,574
Capital and Reserves			
Share capital	17	74,035,443	74,035,443
Reserves		304,504,500	298,982,385
Equity attributable to owners of the Company		378,539,943	373,017,828
Non-controlling interests		22,550,364	19,893,880
Total Equity		401,090,307	392,911,708
Non-current Liabilities			
Lease liabilities – due after one year		917,948	960,434
Bank and other borrowings – due after one year		153,229,362	144,139,899
Guaranteed notes and corporate bonds – due after one year	16	62,672,404	72,555,955
Deferred tax liabilities		27,564,427	27,335,578
		244,384,141	244,991,866
Total of Equity and Non-current Liabilities		645,474,448	637,903,574

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Translation reserve RMB'000	Merger and other reserves RMB'000 <i>(Note (a))</i>	PRC statutory reserve RMB'000 <i>(Note (b))</i>	Retained profits RMB'000	Total RMB'000			
At 1 January 2023	74,035,443	(1,036,758)	(11,637,771)	11,133,974	281,984,820	354,479,708	18,618,117		
Profit for the period	-	-	-	-	13,489,777	13,489,777	721,631	14,211,408	
Exchange differences on translation of subsidiaries of the Company	-	103,249	-	-	-	103,249	14,119	117,368	
Exchange differences on translation of associates	-	(194,712)	-	-	-	(194,712)	-	(194,712)	
Total comprehensive income for the period	-	(91,463)	-	-	13,489,777	13,398,314	735,750	14,134,064	
2022 final dividend <i>(Note 12)</i>	-	-	-	-	(3,983,938)	(3,983,938)	-	(3,983,938)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	(759,991)	(759,991)	
Contributions from non-controlling shareholders	-	-	-	-	-	-	2,506,577	2,506,577	
Return of capital to non-controlling shareholders	-	-	-	-	-	-	(1,215,000)	(1,215,000)	
Transfer to PRC statutory reserve	-	-	-	204,190	(204,190)	-	-	-	
At 30 June 2023	74,035,443	(1,128,221)	(11,637,771)	11,338,164	291,286,469	363,894,084	19,885,453	383,779,537	

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2024

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000
	Share capital	Translation reserve	Merger and other reserves	PRC statutory reserve	Retained profits	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
		(Note (a))	(Note (b))						
At 1 January 2024	74,035,443	(1,314,167)	(11,637,771)	11,952,116	299,982,207	373,017,828	19,893,880	392,911,708	
Profit for the period	-	-	-	-	10,313,630	10,313,630	1,213,176	11,526,806	
Exchange differences on translation of subsidiaries of the Company	-	(348,054)	-	-	-	(348,054)	4,647	(343,407)	
Exchange differences on translation of associates	-	(94,984)	-	-	-	(94,984)	-	(94,984)	
Total comprehensive income for the period	-	(443,038)	-	-	10,313,630	9,870,592	1,217,823	11,088,415	
2023 final dividend (Note 12)	-	-	-	-	(4,536,107)	(4,536,107)	-	(4,536,107)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	(215,245)	(215,245)	
Contributions from non-controlling shareholders	-	-	-	-	-	-	2,462,336	2,462,336	
Return of capital to non-controlling shareholders	-	-	-	-	-	-	(346,500)	(346,500)	
Release of share option reserve upon the related options lapsed (Note 17)	-	-	(322,348)	-	322,348	-	-	-	
Acquisition of additional interests in subsidiaries	-	-	-	-	187,630	187,630	(461,930)	(274,300)	
Transfer from PRC statutory reserve	-	-	-	(136,267)	136,267	-	-	-	
At 30 June 2024	74,035,443	(1,757,205)	(11,960,119)	11,815,849	306,405,975	378,539,943	22,550,364	401,090,307	

Notes:

(a) The reserves mainly represent the merger reserve arising from the acquisition of subsidiaries in 2015 by the Group from China State Construction Engineering Corporation Limited and in 2016 from CITIC Limited, all of which are state-owned entities and are under common control of the State Council of The People's Republic of China ("PRC"). Other reserves include share option reserve and property revaluation reserve. Share option reserve represents the fair value of share options granted that are yet to be exercised. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited/lapsed.

(b) PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries which were established in accordance with the relevant PRC regulations.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	16,269,795	17,396,651
Interest received	840,228	1,138,317
Decrease in stock of properties and other inventories, and deposits for land use rights for property development	13,268,509	17,007,129
Increase in trade and other receivables, and deposits and prepayments	(2,391,748)	(8,758,087)
Decrease/(increase) in contract assets	178,125	(192,690)
(Decrease)/increase in trade and other payables and pre-sales proceeds	(14,509,200)	17,866,022
Other movements in working capital	441,068	940,351
Cash generated from operations	14,096,777	45,397,693
Income taxes paid	(10,645,268)	(11,694,867)
NET CASH GENERATED FROM OPERATING ACTIVITIES	3,451,509	33,702,826
INVESTING ACTIVITIES		
Dividends received from associates	–	16,000
Dividends received from joint ventures	20,650	81,781
Additions of investment properties	(4,594,972)	(2,328,919)
Advances to associates	(23,551)	(171,327)
Repayment from associates	169,063	764,887
Advances to joint ventures	(859,126)	(85,272)
Repayment from joint ventures	1,465,254	847,862
Return of capital from associates	568,000	98,000
Capital contributions to associates	–	(803,213)
Return of capital from joint venture	–	123,298
Other investing cash flows	(102,261)	1,023,335
NET CASH USED IN INVESTING ACTIVITIES	(3,356,943)	(433,568)

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Interest paid	(4,652,205)	(5,065,693)
Dividends paid to non-controlling shareholders	(215,245)	(283,425)
New bank and other borrowings raised	37,826,547	36,449,138
Repayment of bank and other borrowings	(33,873,685)	(46,420,804)
Issue of corporate bonds	6,000,000	–
Redemption of guaranteed notes and corporate bonds	(12,996,976)	(11,820,925)
Repayment to non-controlling shareholders	(822,469)	(3,253,438)
Advances from non-controlling shareholders	1,901,188	207,188
Contributions from non-controlling shareholders	2,162,336	2,506,577
Return of capital to non-controlling shareholders	(346,500)	(1,215,000)
Repayment to joint ventures	(601,223)	(190,243)
Advances from joint ventures	108,077	58,916
Acquisition of additional interests in subsidiaries	(274,300)	–
Other financing cash flows	301,933	(380,942)
NET CASH USED IN FINANCING ACTIVITIES	(5,482,522)	(29,408,651)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,387,956)	3,860,607
CASH AND CASH EQUIVALENTS AT 1 JANUARY	105,344,021	109,709,019
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	61,421	215,733
CASH AND CASH EQUIVALENTS AT 30 JUNE	100,017,486	113,785,359
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash as per condensed consolidated statement of financial position	100,237,072	114,213,708
Less: restricted bank deposits	(219,586)	(428,349)
	100,017,486	113,785,359



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The Company’s immediate parent company is China Overseas Holdings Limited, a company incorporated in Hong Kong, and its ultimate holding company is 中國建築集團有限公司 (China State Construction Engineering Corporation*, “CSCEC”), an entity established in the PRC and the PRC government is a substantial shareholder of CSCEC. The registered office and principal place of business of the Company are situated at 10/F, Three Pacific Place, 1 Queen’s Road East, Hong Kong. The Group’s business activities are principally carried out in Hong Kong, Macau, Beijing, Guangzhou, Shenzhen, Shanghai, Xiamen, Changsha, Jinan, Nanjing, Hangzhou, Suzhou, Chengdu, Tianjin, Xi’an and other regions in Chinese mainland.

The Group, comprising the Company and its subsidiaries, is principally engaged in property development, commercial property operations and other businesses.

The Company’s functional currency is Renminbi (“RMB”) and the condensed consolidated financial statements are presented in RMB as the directors of the Company consider that RMB is the appropriate presentation currency for the users of the Group’s condensed consolidated financial statements.

These condensed consolidated financial statements are unaudited. It was approved and authorised for issue by the Board of Directors (the “Board”) of the Company on 28 August 2024.

* English translation for identification purpose only.

2. Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosures requirement of Appendix D2 to the Rules Governing the Listing of Securities (the "Listing Rules") on Hong Kong Stock Exchange and Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated financial statements should be read in conjunction with the Group's 2023 annual financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss, which are measured at fair values.

The financial information relating to the year ended 31 December 2023 included in the condensed consolidated financial statements for the six months ended 30 June 2024 as comparative does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements of the Group for that year. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

3. Application of New and Revised HKFRSs

The accounting policies applied in the condensed consolidated financial statements are consistent with those of the Group's annual financial statements for the year ended 31 December 2023 as described in those annual financial statements, except for the adoption of amendments effective for the year ending 31 December 2024.

In the current interim period, the Group has applied, for the first time, the following amendments issued by the HKICPA which are relevant to the Group:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 amendments")*</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 amendments")*</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

* As a consequence of the 2020 amendments and 2022 amendments to HKAS 1, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

The application of the above amendments has had no material impact on the Group's results and financial position.

3. Application of New and Revised HKFRSs (Continued)

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to HKAS 21	<i>Lack of Exchangeability¹</i>

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for early adoption

The Group has already commenced an assessment of the impact of the above new and revised HKFRSs. So far it has assessed that the adoption of them is unlikely to have a significant impact on the condensed consolidated financial statements.

4. Financial Risk Management

In the normal course of business, the Group is exposed to financial risks attributable to interest rates, foreign currency, credit, liquidity and fair values.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2023 annual financial statements.

There have been no significant changes in the risk management department, policies and procedures since the last year end.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

4. Financial Risk Management (Continued)

(i) Financial instruments measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair value measurement*.

	Level 3	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Financial assets at fair value through profit or loss	218,173	218,173

During the period, there were no transfers between different levels within the fair value hierarchy.

The fair value of unlisted equity investment designated at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation technique and the inputs, including significant unobservable inputs, used in the fair value measurement of unlisted equity investment are not disclosed as such disclosures, in the opinion of the directors, would result in particulars of excessive length and provide no additional useful information to the users of the financial statements.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

4. Financial Risk Management (Continued)

(ii) Financial instruments measured at other than fair value

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values, except for the guaranteed notes and corporate bonds as disclosed in the following table.

	30 June 2024		31 December 2023	
	Carrying amount RMB'000 (Unaudited)	Fair value RMB'000 (Unaudited)	Carrying amount RMB'000 (Audited)	Fair value RMB'000 (Audited)
Guaranteed notes and corporate bonds	85,817,170	84,762,724	92,366,242	90,316,848

The fair values of guaranteed notes and corporate bonds are measured at quoted market prices and are within level 1 of the three-level fair value hierarchy.

5. Estimates

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

6. Revenue and Results

The Group managed its business units based on their products and services, based on which information is prepared and reported to the Group's management for the purposes of resources allocation and performance assessment. The composition of the Group's reportable segments and the types of revenue are as follows:

Property development	–	property development and sales
Commercial property operations	–	property rentals, hotel and other commercial property operations
Other businesses	–	material procurement and supply chain management services, provision of construction and building design consultancy services and others

The Group has restated segment information comparative figures to conform with the current period's presentation.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

6. Revenue and Results (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results (including share of results of associates and joint ventures) by reportable segments:

For the six months ended 30 June 2024 – Unaudited

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Revenue from contracts with customers				
– recognised at a point in time	82,038,816	–	1,031,616	83,070,432
– recognised over time	–	548,803	327,001	875,804
	82,038,816	548,803	1,358,617	83,946,236
Revenue from other sources				
– revenue from commercial properties	–	2,989,191	–	2,989,191
Segment revenue from external customers	82,038,816	3,537,994	1,358,617	86,935,427
Inter-segment revenue	–	–	2,044,232	2,044,232
Total segment revenue	82,038,816	3,537,994	3,402,849	88,979,659
Segment profit (including share of profits and losses of associates and joint ventures)	14,478,427	1,705,929	71,764	16,256,120

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

6. Revenue and Results (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2023 – Unaudited

	Property development RMB'000 (Restated)	Commercial property operations RMB'000 (Restated)	Other businesses RMB'000 (Restated)	Total RMB'000 (Restated)
Revenue from contracts with customers				
– recognised at a point in time	84,789,501	–	1,187,257	85,976,758
– recognised over time	–	522,639	229,171	751,810
	84,789,501	522,639	1,416,428	86,728,568
Revenue from other sources				
– revenue from commercial properties	–	2,431,157	–	2,431,157
Segment revenue from external customers	84,789,501	2,953,796	1,416,428	89,159,725
Inter-segment revenue	–	–	3,604,812	3,604,812
Total segment revenue	84,789,501	2,953,796	5,021,240	92,764,537
Segment profit (including share of profits and losses of associates and joint ventures)	17,111,674	3,803,813	120,376	21,035,863

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

6. Revenue and Results (Continued)

Reconciliation of reportable segment profit to the consolidated profit before tax

Segment profit includes profits from subsidiaries and share of profits and losses of associates and joint ventures. These represent the profit earned by each segment without allocation of interest income on bank deposits, corporate expenses, finance costs and net foreign exchange loss recognised in the condensed consolidated income statement.

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reportable segment profit	16,256,120	21,035,863
Unallocated items:		
Interest income on bank deposits	812,403	1,097,724
Corporate expenses	(37,919)	(39,839)
Finance costs	(493,133)	(548,255)
Net foreign exchange losses recognised in the condensed consolidated income statement	(353,710)	(1,730,321)
Consolidated profit before tax	16,183,761	19,815,172

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

7. Other Income and Gains/(Losses), Net

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income and gains/(losses), net include:		
Interest income on bank deposits	812,403	1,097,724
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	60,356	240,118
Other interest income	8,602	4,584
Total interest income	881,361	1,342,426
Net foreign exchange losses	(553,225)	(2,074,907)
Add: Exchange losses arising from foreign currency debt capitalised	199,515	344,586
Net foreign exchange losses recognised in the condensed consolidated income statement	(353,710)	(1,730,321)
Impairment losses on stock of properties	(456,259)	–

8. Finance Costs

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings, guaranteed notes and corporate bonds	4,723,007	4,904,687
Interest on amounts due to associates, joint ventures and non-controlling shareholders	49,496	218,503
Interest on lease liabilities and other finance costs	97,847	118,114
Total finance costs	4,870,350	5,241,304
Less: Amount capitalised	(4,377,217)	(4,693,049)
	493,133	548,255

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

9. Income Tax Expenses

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Corporate Income Tax ("CIT")	3,002,672	2,474,960
PRC Land Appreciation Tax ("LAT")	893,831	1,252,261
PRC withholding income tax	31,758	20,388
Hong Kong profits tax	18,453	26,754
Macau income tax	2,406	576
Others	14,504	12,496
	3,963,624	3,787,435
Deferred tax:		
Current period	693,331	1,816,329
Total	4,656,955	5,603,764

Under the Law of PRC on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of PRC subsidiaries is 25% (2023: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profit for the period.

Macau income tax is calculated at the prevailing tax rate of 12% (2023: 12%) in Macau.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

10. Profit for the Period

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation		
– Right-of-use assets	32,065	84,567
– Other property, plant and equipment	208,712	170,047
Staff costs (including benefits and interests of directors)	1,245,554	1,412,921

11. Earnings Per Share

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of calculation of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	10,313,630	13,489,777

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

11. Earnings Per Share (Continued)

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share	10,944,884	10,944,884

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share presented.

12. Dividends

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 December 2023 of HK45 cents per share (2023: final dividend for the year ended 31 December 2022 of HK40 cents per share)	4,536,107	3,983,938

The interim dividend of HK30 cents per share for the six months ended 30 June 2024, amounting to approximately RMB2,971,536,000 was declared by the Board. The amount of interim dividend declared, which was calculated based on the number of ordinary shares in issue at the date of approval of the condensed consolidated financial statements, has not been recognised as a dividend payable in the condensed consolidated financial statements.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

13. Investment Properties

During the six months ended 30 June 2024, the Group had additions to investment properties amounted to RMB1,381,262,000 (2023: RMB2,573,718,000) and the gains arising from changes in fair value of investment properties amounted to RMB12,330,000 (2023: RMB2,316,246,000).

Items of investment properties with a carrying amount of RMB460,601,000 (2023: RMB944,328,000) were disposed of during the six months ended 30 June 2024. In addition, items of investment properties with a carrying amount of RMB671,101,000 were transferred to (2023: RMB7,298,000 were transferred from) property, plant and equipment, net.

The fair value of the investment properties held by the Group at 30 June 2024 and 31 December 2023 have been arrived on the basis of a valuation carried out on that date by independent firms of professional valuers not connected with the Group, who have appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The current use of the investment properties equates to their highest and best use.

There was no change to the valuation techniques during the period.

Fair value of the Group's investment properties are categorised as level 3 measurement in the three-level fair value hierarchy. During the period, there were no transfers between different levels within the fair value hierarchy.

14. Trade and Other Receivables

Proceeds receivable in respect of property development are settled in accordance with the terms stipulated in the sale and purchase agreements.

Except for the proceeds from property development and rental income which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

14. Trade and Other Receivables (Continued)

At the end of the reporting period, the ageing analysis of trade receivables, based on the date the trade receivables recognised, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables, aged		
0 – 30 days	4,661,595	2,613,405
31 – 90 days	612,988	423,093
Over 90 days	1,508,216	971,682
	6,782,799	4,008,180
Other receivables – current portion	2,846,293	2,978,926
	9,629,092	6,987,106

In determining the recoverability of trade receivables, management has closely monitored the credit qualities and the collectability of these receivables and considers that the expected credit risks of them are minimal in view of the track record of repayment from them, the history of cooperation with them and forward-looking information. The concentration of credit risk is limited due to the customer base being large and unrelated. The provision for trade and other receivables was insignificant at the end of the reporting period (31 December 2023: insignificant).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

15. Trade and Other Payables

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade payables, aged		
0 – 30 days	10,645,744	33,671,880
31 – 90 days	7,344,128	4,014,511
Over 90 days	27,173,670	31,131,232
	45,163,542	68,817,623
Other payables	13,520,357	10,706,239
Retention payable	6,409,629	6,160,349
	65,093,528	85,684,211

Other payables mainly include rental and other deposits, other taxes payables and accrued charges.

16. Guaranteed Notes and Corporate Bonds

During the six months ended 30 June 2024, the Group mainly issued and redeemed the following guaranteed notes and corporate bonds:

Issued during the period:

Interest commencement date	Principal amount '000	Issue price	Fixed interest rate per annum	Maturity date	Carrying amount at 30 June 2024 RMB'000
24 January 2024	RMB1,500,000	100%	2.80% ⁽ⁱ⁾	24 January 2027	1,500,000
24 January 2024	RMB1,500,000	100%	3.05% ⁽ⁱ⁾	24 January 2029	1,500,000
24 April 2024	RMB3,000,000	100%	2.68% ⁽ⁱ⁾	24 April 2029	3,000,000

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

16. Guaranteed Notes and Corporate Bonds (Continued)

Fully redeemed during the period:

Interest commencement date	Principal amount '000	Issue price	Fixed interest rate per annum	Redemption value RMB'000
8 May 2014	US\$450,000	99.554%	5.95%	3,207,501
8 May 2014	US\$250,000	103.08%	5.95%	1,781,945
24 January 2019	RMB1,500,000	100%	3.75%	1,500,000
15 January 2021	RMB1,500,000	100%	3.35%	1,500,000
23 March 2021	RMB1,001,000 ⁽ⁱ⁾	100%	3.85%	998,200
15 June 2021	RMB2,000,000	100%	3.25%	2,000,000
23 June 2021	RMB2,101,000 ⁽ⁱ⁾	100%	3.60%	1,999,200

Notes:

(i) Payable annually.

(ii) Included equity class securities of RMB1 million wholly subscribed by 北京中海廣場商業發展有限公司 (Beijing China Overseas Plaza Commercial Development Ltd.*), a wholly-owned subsidiary of the Group.

* English translation for identification purpose only

17. Share Capital

	Number of shares '000	HK\$'000	RMB'000
Issued and fully paid:			
At 1 January 2023 and			
30 June 2023	10,944,884	90,422,641	74,035,443
At 1 January 2024 and			
30 June 2024	10,944,884	90,422,641	74,035,443

17. Share Capital (Continued)

Share-based Payments

Share Option Scheme of the Company

On 29 June 2018, the Company offered to grant share options (the “2018 Share Options”) to certain eligible persons (collectively, the “2018 Options Grantees”), to subscribe for a total of 107,320,000 shares of the Company, subject to acceptance of the 2018 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018 (the “Share Option Scheme”). Out of 107,320,000 shares of 2018 Share Options granted, a total of 2,000,000 shares were granted to directors of the Company. The exercise price is HK\$25.85 per share.

One-third of the 2018 Share Options granted may be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2018 Share Options on the date of grant was HK\$25.85 per share.

On 24 November 2020, the Company offered to grant share options (the “2020 Share Options”) to certain eligible persons (collectively, the “2020 Options Grantees”), to subscribe for a total of 285,840,000 shares of the Company, subject to acceptance of the 2020 Options Grantees, under the Share Option Scheme. Out of 285,840,000 shares of 2020 Share Options granted, a total of 6,300,000 shares were granted to directors of the Company. The exercise price is HK\$18.724 per share.

One-third of the 2020 Share Options granted may be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2020 Share Options on the date of grant was HK\$17.96 per share.

On 11 November 2021, the Company offered to grant share options (the “2021 Share Options”) to certain eligible persons (collectively, the “2021 Options Grantees”), to subscribe for a total of 7,130,000 shares of the Company, subject to acceptance of the 2021 Options Grantees, under the Share Option Scheme. Out of 7,130,000 shares of 2021 Share Options granted, a total of 1,600,000 shares were granted to a director of the Company. The exercise price is HK\$18.70 per share.

17. Share Capital (Continued)

Share-based Payments (Continued)

Share Option Scheme of the Company (Continued)

One-third of the 2021 Share Options granted may be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2021 Share Options on the date of grant was HK\$18.70 per share.

The fair values of the 2018 Share Options on 29 June 2018, the 2020 Share Options on 24 November 2020 and the 2021 Share Options on 11 November 2021 determined using the Binomial Options Pricing Model were HK\$6.36, HK\$2.64 and HK\$2.89 per share, respectively. The significant inputs adopted in the model include:

Risk-free rate	2018 Share Options: 2.12% with reference to the market yield rates of the Hong Kong Government Bond (maturing 21 June 2021 and 6 December 2021) as of 29 June 2018
	2020 Share Options: 0.34% with reference to the market yield rates of the Hong Kong Government Bond (maturing 20 August 2025 and 27 August 2027) as of 24 November 2020
	2021 Share Options: 1.42% with reference to the Hong Kong Dollar Swap Rate (5Y and 7Y) as of 11 November 2021
Historical volatility	31.91%, 31.89% and 31.31% calculated based on the historical price with a period equals to the life of the 2018, 2020 and 2021 Share Options, respectively
Cap of the share-based payments	40% of the respective Grantees' remuneration for the 2018 Share Options
Dividend yield	3.09%, 5.68% and 6.31% based on the average dividend yield in the past six years for the 2018, 2020 and 2021 Share Options, respectively
Expected option life	6 years for all 2018, 2020 and 2021 Share Options

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

17. Share Capital (Continued)

Share-based Payments (Continued)

Share Option Scheme of the Company (Continued)

The Binomial Options Pricing Model for all the share options requires input of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.

Set out below are movements of the share options under the Share Option Scheme by the Company during the six months ended 30 June 2024 and 2023:

	2024		2023	
	Average exercise price per share HK\$	Number of share options	Average exercise price per share HK\$	Number of share options
At 1 January	21.44	139,430,500	19.96	326,112,500
Lapsed/forfeited during the period (Note 1)	25.45	(56,322,500)	20.38	(8,569,000)
Cancelled during the period (Note 2)	–	–	18.72	(87,213,000)
At 30 June	18.72	83,108,000	20.41	230,330,500

Notes:

1. A total of 51,440,500 shares of 2018 Share Options were expired and have been lapsed during the six months ended 30 June 2024. The remainder of 4,882,000 shares (2023: 8,569,000 shares) represented share options forfeited upon the resignation of certain eligible persons which the share options are exercisable during the six months ended 30 June 2024.
2. The first tranche of the 2020 Share Options have been cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme during the six months ended 30 June 2023.

No share options were granted and exercised during both periods.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

17. Share Capital (Continued)

Share-based Payments (Continued)

Share Option Scheme of the Company (Continued)

Share options outstanding at 30 June 2024 have the following expiry dates and exercise prices:

Grant Date	Expiry date	Exercise price per share HK\$	Number of share options	Weighted average remaining contractual life of options outstanding at the end of the reporting period
24 November 2020	23 November 2026	18.724	78,725,000	2.4 years
11 November 2021	10 November 2027	18.70	4,383,000	3.4 years
			83,108,000	

18. Capital Commitments

At the end of the reporting period, the Group had the following capital commitments not provided for in the condensed consolidated financial statements:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Capital expenditure in respect of investment properties:		
Contracted but not provided for	7,110,818	7,584,953

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

19. Financial Guarantees

At the end of the reporting period, the financial guarantees were as follows:

- (a) Guarantees given by the Group to banks in respect of credit facilities granted to:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Associates		
– Maximum	48,423	468,123
– Utilised	40,141	138,273
Joint ventures		
– Maximum	12,016,110	11,502,050
– Utilised	11,001,749	10,010,947
Other entity classified as financial asset at fair value through profit or loss		
– Maximum	322,000	322,000
– Utilised	257,203	248,915

- (b) At 30 June 2024, the Group had counter indemnities amounting to RMB1,595,654,000 (31 December 2023: RMB1,541,137,000) for guarantees issued in respect of certain construction contracts undertaken by the Group.
- (c) At 30 June 2024, the Group provided guarantees amounting to RMB57,797,223,000 (31 December 2023: RMB63,315,413,000) for the repayment of the mortgage bank loans granted to purchasers of the Group's properties.

The directors of the Company considered that the fair values of financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of short maturity periods and low applicable default rates.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

20. Pledge of Assets

At the end of the reporting period, certain assets of the Group have been pledged to secure the bank borrowings, guaranteed notes and corporate bonds. The carrying values of the pledged assets at 30 June 2024 and 31 December 2023 were as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Investment properties	78,024,020	65,947,369
Stock of properties	49,565,317	32,940,312
	127,589,337	98,887,681

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

21. Related Party Transactions

- (i) In addition to those balances and transactions disclosed elsewhere in the condensed consolidated financial statements, the following material related party transactions have been entered into by the Group during the period:

Nature of transactions	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries[#]			
Property development			
project construction fee	(a)	1,483,573	2,226,565
Rental and utility income	(b)	103,219	119,928
Heating pipes connection			
service fee	(a)	–	5,819
Building design consultancy			
income	(c)	2,569	2,638
Property management and			
value-added services fee	(c)	511,246	590,633
Materials procurement and			
supply chain management			
services income	(c)	141,260	364,669
Sales of investment			
properties	(d)	43,362	–
Interest expense	(i)	3,014	2,015
Interest income	(h)	200	1,092
Associates			
Interest income	(f)	1,471	50,118
Royalty income	(e)	183,200	175,200
Lease payments	(b)	970	52,940
Materials procurement			
service income	(c)	267,563	534,190
Joint ventures			
Interest income	(f)	58,885	179,101
Interest expense	(g)	5,823	6,364

21. Related Party Transactions (Continued)

(i) (Continued)

Notes:

- (a) *Property development project construction fee and heating pipes connection service fee are charged in accordance with respective contracts. The amounts represent aggregated transaction amounts during the period in relation to contracts signed in current and prior periods.*
 - (b) *Rental and utility income and lease payments are charged in accordance with respective tenancy agreements.*
 - (c) *Building design consultancy income, property management and value-added services fee, materials procurement and supply chain management services income and materials procurement service income are charged in accordance with respective contracts.*
 - (d) *The consideration of the sales of investment properties are charged in accordance with respective sale and purchase agreements.*
 - (e) *Royalty income is charged at annual fee as specified in the contracts.*
 - (f) *Interest income is charged at interest rates as specified on the amounts due from associates or joint ventures.*
 - (g) *Interest expense is charged at interest rates as specified on the amounts due to joint ventures.*
 - (h) *Interest income is charged at interest rates as specified on the deposits placed in China State Construction Finance Limited ("CSCFL"), a fellow subsidiary of the Company.*
 - (i) *Interest expense is charged at interest rates as specified on the borrowings obtained from CSCFL.*
- * *These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.*

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024

21. Related Party Transactions (Continued)

- (ii) The remuneration of the Company's directors and other members of key management of the Group during the period was as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Basic salaries, allowances, bonus and benefits-in-kind	13,111	13,656
Provident fund contribution	643	669
	13,754	14,325

Interim Dividend and Closure of Register of Members

The board of directors of the Company (the “Board”) declared the payment of an interim dividend of HK30 cents per share (2023: HK35 cents per share) for the six months ended 30 June 2024. The interim dividend will be payable in cash.

Relevant Dates for Interim Dividend Payment

Ex-dividend date	16 September 2024
Latest time to lodge transfer documents for registration with the Company’s registrar and transfer office	4:30 p.m. on 17 September 2024
Closure of Register of Members	19 September 2024
Record date	19 September 2024
Despatch of dividend warrants	4 October 2024

In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s registrar and transfer office, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

Share Capital

The total number of shares of the Company in issue as at 30 June 2024 was 10,944,883,535 ordinary shares (the “Shares”).

Purchase, Sale or Redemption of the Group’s Listed Securities

Save as disclosed below, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group’s listed securities during the six months ended 30 June 2024.

Other Information (Continued)

Purchase, Sale or Redemption of the Group's Listed Securities

(Continued)

Issue of Listed Securities

The following securities were issued by the wholly-owned subsidiaries of the Company during the period. The net proceeds are used to repay the existing indebtedness of the Group.

Name of subsidiary	Securities	Issue date	Due date	Principal amount (RMB'000)	Coupon rate per annum	Name of stock exchange/ market on which the securities are listed/issued
China Overseas Development Group Co., Ltd.* ("China Overseas Development")	2024 corporate bonds (i) First tranche (Type II)	23 April 2024	24 April 2029	3,000,000	2.68%	Shenzhen Stock Exchange
China Overseas Development	2024 medium-term notes (i) First tranche (Type I)	22 January 2024	24 January 2027	1,500,000	2.80%	National Interbank Bond Market
	(ii) First tranche (Type II)	22 January 2024	24 January 2029	1,500,000	3.05%	

* English translation for identification purpose only

Purchase, Sale or Redemption of the Group's Listed Securities

(Continued)

Redemption of Listed Securities

The following securities were redeemed by the wholly-owned subsidiaries of the Company during the period:

Name of subsidiary	Securities	Issue date	Redemption date	Redemption value (RMB'000)	Remaining value (RMB'000)
Beijing China Overseas Plaza Commercial Development Ltd.*	(i) RMB1,001 million at coupon rate of 3.85%	(i) 23 March 2021	(i)-(ii) Principal amount with interest payable will be repaid in instalments in May and November each year (iii)-(iv) Principal amount with interest payable will be repaid in instalments in February and August each year	(i) 999,200 [†]	(i) Nil
	(ii) RMB2,101 million at coupon rate of 3.60%	(ii) 23 June 2021		(ii) 2,000,200 [†]	(ii) Nil
	(iii) RMB1,901 million at coupon rate of 3.50%	(iii) 10 November 2021		(iii) 5,130	(iii) 1,881,050 [†]
	(iv) RMB5,001 million at coupon rate of 3.35%	(iv) 29 March 2022		(iv) 5,000	(iv) 4,981,000 [†]
	Commercial mortgage-backed securities listed on the Shenzhen Stock Exchange				
China Overseas Development	RMB1,500 million at coupon rate of 3.35% medium-term notes which were listed on the National Interbank Bond Market	15 January 2021	15 January 2024	1,500,000	Nil
China Overseas Development	RMB1,500 million at coupon rate of 3.75% corporate bonds which were listed on the Shenzhen Stock Exchange	24 January 2019	24 January 2024	1,500,000	Nil
China Overseas Development	RMB2,000 million at coupon rate of 3.25% corporate bonds which were listed on the Shenzhen Stock Exchange	15 June 2021	15 June 2024	2,000,000	Nil
China Overseas Finance (Cayman) VI Limited	US\$700 million at coupon rate of 5.95% guaranteed notes which were listed on the Hong Kong Stock Exchange	8 May 2014	8 May 2024	4,989,446	Nil

For details of the aforementioned securities, please refer to relevant announcements of the Company.

* English translation for identification purpose only

[†] Included equity class securities of RMB1 million wholly subscribed by Beijing China Overseas Plaza Commercial Development Ltd.

Share Option Scheme

The share option scheme was approved and adopted by the shareholders of the Company on 11 June 2018 (the “Share Option Scheme”) to enable the qualifying grantees to acquire ordinary Shares of the Company and unless otherwise cancelled or amended, it will remain in force for 10 years from 11 June 2018. The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group’s businesses, to provide additional incentives to the qualifying grantees (being, among others, any employee of the Group or such other persons that have contributed to the Group as specified in the Share Option Scheme) that have contributed to the Group; and to promote the long-term financial success of the Group by aligning the interests of share option holders with shareholders of the Company.

The limit on the number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No share options may be granted under any scheme of the Company if this will result in the limit being exceeded.

The number of Shares in respect of the share options that may be granted according to the Share Option Scheme (the “Share Options”) shall not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme (i.e. 11 June 2018). On the basis of 10,956,201,535 Shares in issue as at 11 June 2018, this would be 1,095,620,153 Shares.

The number of Share Options available for grant under the Share Option Scheme on 1 January 2024 and 30 June 2024 was 754,705,153 and 811,027,653 respectively. No Share Options were granted during the six months ended 30 June 2024. As at the date of this interim report, the total number of Shares in the capital of the Company available for issue under the Share Option Scheme is 811,397,653 Shares which represented approximately 7.41% of the total issued share capital at that date.

Unless otherwise approved by the shareholders of the Company in a general meeting, the number of Shares issued and to be issued upon exercise of the Share Options (whether exercised or outstanding) granted to each of the eligible persons in any 12-month period shall not exceed 1% of the Shares in issue.

Share Option Scheme (Continued)

Unless otherwise approved by shareholders of the Company in a general meeting, no Share Options may be granted to any substantial shareholder of the Company, Independent Non-executive Directors or their respective associates, that would result in the Shares issued or to be issued to such person in the 12-month period up to and including the date of Board meeting proposing for the grant (i) in aggregate exceeding 0.1% of the Shares in issue from time to time; and (ii) in aggregate exceeding HK\$5 million based on the closing price of the Shares at the date of the Board meeting proposing for such grant.

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option, but shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The period within which the Shares must be taken up under a Share Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 6 years from the date of grant of the relevant Share Option.

The minimum period, if any, for which a Share Option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The Share Option Scheme itself does not specify any minimum holding period.

HK\$1.00 is payable by each of the Share Option holders to the Company on the acceptance of the offer of the Share Option. The period within which payments or calls must or may be made should be 28 days after the offer date of a Share Option or such period as the Directors may determine.

The life of the Share Option Scheme is 10 years commencing on 11 June 2018 and expiring on 10 June 2028.

Other details of the Share Option Scheme are set out in Appendix III to the circular published by the Company on 16 April 2018.

Other Information (Continued)

Share Option Scheme (Continued)

During the six months ended 30 June 2024, details of the movements of the Share Options under the Share Option Scheme are as follows:

Participants	Date of Grant	Subscription Price HK\$ (per Share)	Exercise Period (Note a)	Number of Share Options					Balance as at 30 June 2024 (Note b)
				Balance as at 1 January 2024	Granted	Exercised	Cancelled	Lapsed	
Directors									
Mr. Yan Jianguo	29.06.2018 24.11.2020	25.85 18.724	29.06.2020 to 28.06.2024 24.11.2022 to 23.11.2026	466,000 600,000	- -	- -	- -	(466,000) -	0 600,000
Mr. Luo Liang	29.06.2018 24.11.2020	25.85 18.724	29.06.2020 to 28.06.2024 24.11.2022 to 23.11.2026	466,000 534,000	- -	- -	- -	(466,000) -	0 534,000
Mr. Zhang Zhichao	29.06.2018 24.11.2020	25.85 18.724	29.06.2020 to 28.06.2024 24.11.2022 to 23.11.2026	366,000 534,000	- -	- -	- -	(366,000) -	0 534,000
Mr. Guo Guanghui	29.06.2018 24.11.2020	25.85 18.724	29.06.2020 to 28.06.2024 24.11.2022 to 23.11.2026	400,000 434,000	- -	- -	- -	(400,000) -	0 434,000
Mr. Zhuang Yong	29.06.2018 11.11.2021	25.85 18.70	29.06.2020 to 28.06.2024 11.11.2023 to 10.11.2027	400,000 1,067,000	- -	- -	- -	(400,000) -	0 1,067,000
Other employees and related entity participants	29.06.2018 24.11.2020 11.11.2021	25.85 18.724 18.70	29.06.2020 to 28.06.2024 24.11.2022 to 23.11.2026 11.11.2023 to 10.11.2027	51,079,500 79,554,000 3,530,000	- - -	- - -	- - -	(51,079,500) (2,931,000) (214,000)	0 76,623,000 3,316,000
				139,430,500	-	-	-	(56,322,500)	83,108,000 (Note c)

Notes:

- Exercise of the Share Options is conditional upon the achievement of certain individual performance targets of each eligible person and certain financial performance targets of the Company as determined by the Board.
- Share Options lapsed upon the resignation of certain eligible persons or the end of the period during which the Share Options are exercisable.
- As at 28 August 2024, all Share Options were cancelled/lapsed in accordance with the terms of the Share Option Scheme.

Directors' and Chief Executive's Interests in Securities

As of 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company, and their respective associates in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long Positions in Shares of the Company

Name of Director	Capacity	Nature of interests	Number of Shares held	% of Shares in issue (Note)
Mr. Li Man Bun, Brian David	Beneficial owner	Personal	5,660,000	0.0517%

Note: The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 30 June 2024.

(b) Long Positions in Underlying Shares of the Company

Shares Options were granted to Mr. Yan Jianguo, Mr. Luo Liang, Mr. Zhang Zhichao, Mr. Guo Guanghui and Mr. Zhuang Yong pursuant to the Share Option Scheme to subscribe for the ordinary Shares of the Company. Information in relation to these Share Options during the six months ended 30 June 2024 can be found in the section headed "Share Option Scheme" of this interim report. These constitute interests in underlying Shares of equity derivatives of the Company under the SFO.

Other Information (Continued)

Directors' and Chief Executive's Interests in Securities (Continued)

(c) Long Positions in Shares and Underlying Shares of the Associated Corporations

(all being personal interest and being held in the capacity of beneficial owner)

Name of associated corporation	Name of Director	Number of shares held	% of shares in issue (Note 1)
China State Construction Engineering Corporation Limited ("CSCECL") (Note 2)	Mr. Luo Liang Mr. Guo Guanghui	294,000 210,000	0.001% 0.001%
China State Construction International Holdings Limited	Mr. Luo Liang	3,531,469	0.070%
China State Construction Development Holdings Limited	Mr. Zhang Zhichao	2,984,000	0.132%
China Overseas Property Holdings Limited	Mr. Li Man Bun, Brian David	1,820,000	0.055%
China Overseas Grand Oceans Group Limited	Mr. Luo Liang Mr. Zhuang Yong	112,906 800,825	0.003% 0.022%

Notes:

1. The percentage represents the number of shares interested divided by the number of shares of the related associated corporation in issue (as the case may be) as at 30 June 2024.
2. The number of shares of CSCECL held by each of Mr. Luo Liang and Mr. Guo Guanghui represented the "A" shares in CSCECL under the A-shares Restricted Stock Incentive Plan (Phase II) of CSCECL together with bonus shares on the basis of four bonus "A" shares for every ten existing "A" shares.

Directors' and Chief Executive's Interests in Securities (Continued)

(d) Long Positions in Debentures of the Associated Corporations

Mr. Zhuang Yong in his capacity as a beneficial owner had personal interests in a nominal amount of US\$900,000 in the 5.35% Guaranteed Notes due 2042 issued by China Overseas Finance (Cayman) V Limited, a wholly-owned subsidiary of the Company.

Save as disclosed above, as at 30 June 2024, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein.

Save as disclosed above and in the section headed "Share Option Scheme", during the six months ended 30 June 2024, none of the Directors and the chief executive of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Other Information (Continued)

Substantial Shareholders' Interests in Securities

As of 30 June 2024, the interests and short positions of the substantial shareholders and other persons of the Company in the Shares and underlying Shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Name of shareholder	Capacity	Number of Shares held (Long position)	% of Shares in issue (Note 1)
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	521,264,928	4.76%
China Overseas Holdings Limited ("COHL") (Note 2)	Beneficial owner	5,618,894,255	51.34%
	Interest of controlled corporation	521,264,928	4.76%
CSCECL (Note 3)	Interest of controlled corporation	6,140,159,183	56.10%
China State Construction Engineering Corporation ("CSCEC") (Note 3)	Interest of controlled corporation	6,140,159,183	56.10%
Complete Noble Investments Limited ("Complete Noble") (Notes 4 and 5)	Beneficial owner	1,095,620,154	10.01%
Affluent East Investments Limited ("Affluent East") (Notes 4 and 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Limited ("CITIC") (Notes 4 and 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Glory Limited ("CITIC Glory") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Polaris Limited ("CITIC Polaris") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Group Corporation ("CITIC Group") (Note 5)	Interest of controlled corporation	1,095,620,154	10.01%

Substantial Shareholders' Interests in Securities (Continued)

Notes:

1. *The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 30 June 2024.*
2. *Silver Lot is a direct wholly-owned subsidiary of COHL, thus COHL is deemed by the SFO to be interested in Shares of the Company in which Silver Lot is or is taken to be interested.*
3. *COHL is a direct wholly-owned subsidiary of CSCECL, which was in turn 57.02% held by CSCEC. CSCECL and CSCEC are deemed by the SFO to be interested in Shares of the Company in which COHL is or is taken to be interested.*
4. *Complete Noble is a direct wholly-owned subsidiary of Affluent East, which in turn is a direct wholly-owned subsidiary of CITIC.*
5. *More than 50% of CITIC is held by CITIC Glory and CITIC Polaris, both of which are direct wholly-owned subsidiaries of CITIC Group, in aggregate. Accordingly, CITIC is an indirect non wholly-owned subsidiary of CITIC Group and Affluent East, CITIC, CITIC Glory, CITIC Polaris and CITIC Group are all deemed by the SFO to be interested in Shares of the Company in which Complete Noble is or is taken to be interested.*

Save as disclosed above, the Company had not been notified by any other person (other than Directors or the chief executive of the Company) who had an interest in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2024.

Corporate Governance

The Company has complied throughout the six months ended 30 June 2024 with all the code provisions of the Corporate Governance Code from time to time as set out in Appendix C1 to the Listing Rules and with some of the recommended best practices contained therein.

Model Code for Securities Transactions by Directors

The Company has adopted a set of code of conduct on governing securities transactions by Directors (the "Code of Conduct") on terms no less exacting than those set out in the Model Code contained in Appendix C3 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the six months ended 30 June 2024.



Other Information (Continued)

Changes in Directors' Information

Changes in Directors' information since the date of the 2023 Annual Report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Details of changes
Mr. Guo Guanghui	Resigned as a non-executive director of China Overseas Grand Oceans Group Limited (listed in Hong Kong) with effect from 22 April 2024
Mr. Li Man Bun, Brian David	Retired as a Vice Chairman of the Asian Financial Cooperation Association with effect from 28 August 2024

Review of Interim Report by Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company has reviewed the unaudited interim results of the Company for the six months ended 30 June 2024, and discussed with the Company's management regarding risk management, internal control and other important matters.



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