

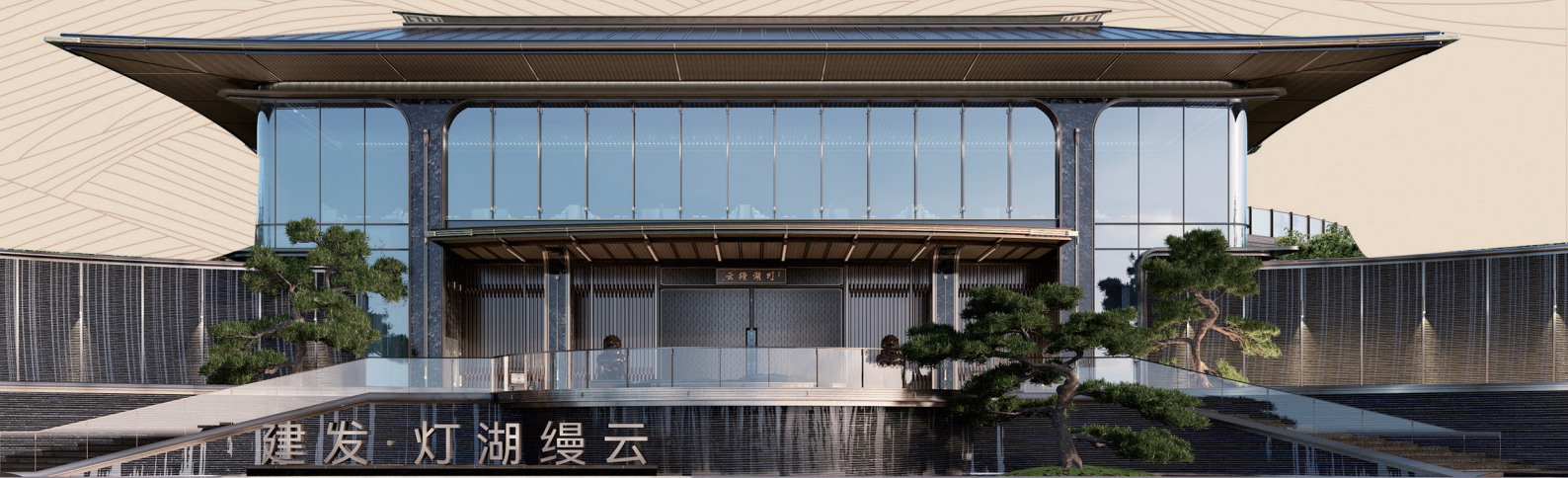


建發國際投資集團有限公司  
C&D International Investment Group Limited

(Incorporated in the Cayman Islands with limited liability)  
Stock Code:1908

# 2024

## Interim Report



房地產開發及房地產產業鏈綜合投資服務商  
Real estate development and real estate industry chain investment services

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. ZHAO Chengmin (*Chairperson*)  
Mr. LIN Weiguo (*Chief Executive Officer*)  
Mr. TIAN Meitan  
Mr. XU Yixuan (appointed on 29 April 2024)  
Mr. PENG Yong (resigned on 29 April 2024)

### Non-executive Directors

Mr. HUANG Wenzhou  
Ms. YE Yanliu  
Mr. ZHENG Yongda

### Independent Non-executive Directors

Mr. WONG Chi Wai  
Mr. WONG Tat Yan, Paul  
Mr. CHAN Chun Yee  
Mr. DAI Yiyi

## COMPANY SECRETARY

Ms. KAM Mei Ha Wendy  
(resigned on 30 August 2024)  
Mr. YAU Tsz Lun  
(appointed on 30 August 2024)

## AUDIT COMMITTEE

Mr. WONG Chi Wai (*Committee Chairperson*)  
Mr. WONG Tat Yan, Paul  
Mr. CHAN Chun Yee  
Mr. DAI Yiyi

## REMUNERATION COMMITTEE

Mr. WONG Tat Yan, Paul (*Committee Chairperson*)  
Mr. WONG Chi Wai  
Mr. CHAN Chun Yee  
Mr. DAI Yiyi

## NOMINATION COMMITTEE

Ms. ZHAO Chengmin (*Committee Chairperson*)  
Mr. CHAN Chun Yee  
Mr. WONG Chi Wai  
Mr. WONG Tat Yan, Paul  
Mr. DAI Yiyi

## INDEPENDENT AUDITOR

Grant Thornton Hong Kong Limited

## PRINCIPAL BANKERS

(in alphabetical order)  
Agricultural Bank of China Limited  
Bank of China Limited  
Bank of Communications Co., Ltd.  
China CITIC Bank Corporation Limited  
China Construction Bank Corporation  
China Merchants Bank Co., Ltd.  
Industrial and Commercial Bank of China Limited  
Industrial Bank Co., Ltd  
Postal Savings Bank of China

## REGISTERED OFFICE

Third Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN PRC

C&D International Building  
No.1699 Huandao East Road  
Xiamen, China  
(Postcode: 361008)

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 3517  
35th Floor, Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Tricor Services (Cayman Islands) Limited  
Third Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong

## LEGAL ADVISER AS TO HONG KONG LAWS

King & Wood Mallesons

## STOCK CODE

1908

## COMPANY'S WEBSITE

www.cndintl.com  
(the contents of which do not form part of this report)

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

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “Board”) of directors (the “Directors”) of C&D International Investment Group Limited (the “Company”) is pleased to announce the following unaudited interim consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2024 (the “Period”) together with the comparative figures for the corresponding period in 2023 (the “corresponding period of the previous year”).

	Notes	For the six months ended 30 June 2024 RMB'000 (Unaudited)	For the six months ended 30 June 2023 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>32,753,303</b>	24,359,190
Cost of sales		<b>(28,850,554)</b>	(20,644,747)
<b>Gross profit</b>		<b>3,902,749</b>	3,714,443
Other income	5	<b>409,133</b>	641,886
Loss on changes in fair value of investment properties		<b>(1,369)</b>	(5,752)
Administrative expenses		<b>(926,748)</b>	(512,518)
Selling expenses		<b>(1,436,784)</b>	(1,420,391)
Reversal of/(provision for) expected credit losses allowance		<b>89,892</b>	(67,622)
Finance costs	6	<b>(266,707)</b>	(372,778)
Share of profit/(loss) of associates		<b>254,639</b>	(61,694)
Share of loss of joint ventures		<b>(17,111)</b>	(24,090)
<b>Profit before income tax</b>	7	<b>2,007,694</b>	1,891,484
Income tax expense	8	<b>(571,216)</b>	(469,631)
<b>Profit for the period</b>		<b>1,436,478</b>	1,421,853
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation differences		<b>(27,737)</b>	(43,230)
<b>Total comprehensive income for the period</b>		<b>1,408,741</b>	1,378,623

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

	Notes	For the six months ended 30 June 2024 RMB'000 (Unaudited)	For the six months ended 30 June 2023 RMB'000 (Unaudited)
<b>Profit for the period attributable to:</b>			
— Equity holders of the Company		<b>817,068</b>	1,284,140
— Non-controlling interests		<b>619,410</b>	137,713
		<b>1,436,478</b>	1,421,853
<b>Total comprehensive income for the period attributable to:</b>			
— Equity holders of the Company		<b>789,331</b>	1,219,964
— Non-controlling interests		<b>619,410</b>	158,659
		<b>1,408,741</b>	1,378,623
<b>Earnings per share for profit attributable to the equity holders of the Company</b>			
	10		
— Basic (RMB cents)		<b>47.30</b>	80.09
— Diluted (RMB cents)		<b>42.95</b>	74.40

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		409,068	390,972
Right-of-use assets		336,755	355,773
Investment properties	11	1,666,904	1,668,273
Intangible assets		728,281	732,830
Interests in associates		19,147,610	18,979,601
Interests in joint ventures		6,638,408	6,654,509
Other financial assets	12	116,538	115,538
Deposits for acquisition of land		64,166	64,166
Deferred tax assets		7,654,357	7,055,412
		<b>36,762,087</b>	36,017,074
<b>Current assets</b>			
Inventories of properties, other inventories and other contract costs	13		
— Properties under development		277,226,201	254,715,815
— Properties held for sale		17,730,596	14,559,515
— Other inventories		137,230	55,321
— Other contract costs		2,160,756	1,591,877
Contract assets		286,103	259,915
Trade and other receivables	14	12,970,872	11,454,706
Amounts due from non-controlling interests	17	46,864,601	41,828,357
Other financial assets	12	—	1,000
Deposits for acquisition of land		9,066,937	6,712,005
Prepaid taxes		6,757,222	5,920,609
Cash at banks and on hand	15	49,217,544	54,161,319
		<b>422,418,062</b>	391,260,439
<b>Total assets</b>		<b>459,180,149</b>	427,277,513
<b>Current liabilities</b>			
Trade and other payables	16	31,298,293	34,164,477
Contract liabilities		213,299,145	190,922,483
Amounts due to related companies	17	19,035,751	18,918,766
Amounts due to non-controlling interests	17	5,758,814	6,181,704
Interest-bearing borrowings	18	5,372,496	5,922,005
Income tax liabilities		3,340,078	4,670,639
Lease liabilities		59,560	80,388
		<b>278,164,137</b>	260,860,462

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Net current assets</b>		<b>144,253,925</b>	130,399,977
<b>Total assets less current liabilities</b>		<b>181,016,012</b>	166,417,051
<b>Non-current liabilities</b>			
Loans from intermediate holding company	17	<b>53,815,400</b>	47,829,395
Lease liabilities		<b>151,641</b>	136,171
Interest-bearing borrowings	18	<b>29,542,577</b>	26,154,283
Deferred tax liabilities		<b>1,359,283</b>	1,358,333
		<b>84,868,901</b>	75,478,182
<b>Total liabilities</b>		<b>363,033,038</b>	336,338,644
<b>Net assets</b>		<b>96,147,111</b>	90,938,869
<b>EQUITY</b>			
Share capital	19	<b>163,148</b>	163,148
Reserves		<b>21,688,338</b>	21,293,331
<b>Equity attributable to the equity holders of the Company</b>		<b>21,851,486</b>	21,456,479
<b>Equity attributable to the subscriber of the perpetual loan</b>		<b>12,000,000</b>	12,000,000
<b>Equity attributable to owners of the parent</b>		<b>33,851,486</b>	33,456,479
Non-controlling interests		<b>62,295,625</b>	57,482,390
<b>Total equity</b>		<b>96,147,111</b>	90,938,869

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent												
	Equity attributable to the equity holders of the Company												
	Share capital RMB'000	Share premium RMB'000	Shares held for restricted share incentive scheme RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Revaluation reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Perpetual loans RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2023</b>	148,689	5,873,059	(836,797)	1,895,457	(100,710)	(1,224,619)	2,692	11,379,449	17,137,220	14,500,000	31,637,220	47,783,268	79,420,488
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	1,284,140	1,284,140	-	1,284,140	137,713	1,421,853
Other comprehensive income	-	-	-	-	(64,176)	-	-	-	(64,176)	-	(64,176)	20,946	(43,230)
— Currency translation differences	-	-	-	-	(64,176)	-	-	-	(64,176)	-	(64,176)	20,946	(43,230)
<b>Total comprehensive income</b>	-	-	-	-	(64,176)	-	-	1,284,140	1,219,964	-	1,219,964	158,659	1,378,623
<b>Transactions with owners</b>													
Share-based payment expense of the Company, net of taxation	-	-	-	-	-	139,304	-	-	139,304	-	139,304	-	139,304
Share-based payment expense of subsidiaries, net of taxation	-	-	-	-	-	3,628	-	-	3,628	-	3,628	6,562	10,190
Restricted shares forfeited	-	-	4,461	-	-	-	-	-	4,461	-	4,461	-	4,461
Restricted shares exercised	-	-	82,305	-	-	-	-	-	82,305	-	82,305	-	82,305
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9,845,675	9,845,675
Change in ownership interests in subsidiaries without change of control	-	-	-	-	-	784	-	-	784	-	784	589	1,373
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(44,689)	(44,689)
2022 final dividend approved (note 1)	-	(2,083,147)	-	-	-	1,701,441	-	-	(381,706)	-	(381,706)	-	(381,706)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(34,038)	(34,038)
<b>Total transactions with owners</b>	-	(2,083,147)	86,766	-	-	1,845,157	-	-	(151,224)	-	(151,224)	9,774,099	9,622,875
<b>Balance at 30 June 2023 (Unaudited)</b>	148,689	3,789,912	(750,031)	1,895,457	(164,886)	620,538	2,692	12,663,589	18,205,960	14,500,000	32,705,960	57,716,026	90,421,986



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent										Total equity RMB'000		
	Equity attributable to the equity holders of the Company									Non-controlling interests RMB'000			
	Share capital RMB'000	Share premium* RMB'000	Shares held for restricted share incentive scheme* RMB'000	Statutory reserve* RMB'000	Exchange reserve* RMB'000	Capital reserve* RMB'000	Revaluation reserve* RMB'000	Retained earnings* RMB'000	Total RMB'000			Perpetual loans RMB'000	
<b>Balance at 1 January 2024</b>	163,148	5,876,071	(1,138,522)	2,452,179	(112,606)	(948,341)	2,692	15,161,858	21,456,479	12,000,000	33,456,479	57,482,390	90,938,869
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	817,068	817,068	-	817,068	619,410	1,436,478
Other comprehensive income	-	-	-	-	(27,737)	-	-	-	(27,737)	-	(27,737)	-	(27,737)
— Currency translation differences	-	-	-	-	(27,737)	-	-	-	(27,737)	-	(27,737)	-	(27,737)
<b>Total comprehensive income</b>	-	-	-	-	(27,737)	-	-	817,068	789,331	-	789,331	619,410	1,408,741
<b>Transactions with owners</b>													
Share-based payment expense of the Company, net of taxation	-	-	-	-	-	209,487	-	-	209,487	-	209,487	-	209,487
Share-based payment expense of subsidiaries, net of taxation	-	-	-	-	-	6,603	-	-	6,603	-	6,603	10,836	17,439
Restricted shares forfeited	-	-	7,650	-	-	-	-	-	7,650	-	7,650	-	7,650
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,388,008	5,388,008
Capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,088,498)	(1,088,498)
Change in ownership interests in subsidiaries without change of control	-	-	-	-	-	34,195	-	-	34,195	-	34,195	(42,651)	(8,456)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(373,647)	(373,647)
2023 final dividend approved (note 2)	-	(2,248,509)	-	-	-	1,596,250	-	-	(652,259)	-	(652,259)	-	(652,259)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	299,777	299,777
<b>Total transactions with owners</b>	-	(2,248,509)	7,650	-	-	1,846,535	-	-	(394,324)	-	(394,324)	4,193,825	3,799,501
<b>Balance at 30 June 2024 (Unaudited)</b>	163,148	3,627,562	(1,130,872)	2,452,179	(140,343)	898,194	2,692	15,978,926	21,851,486	12,000,000	33,851,486	62,295,625	96,147,111

\* These reserve accounts comprise the Group's reserves of RMB21,688,388,000 in the consolidated statement of financial position.

Note: 1. On 30 March 2023, the Board recommended the payment of a final dividend of HK\$1.30 per share for the year ended 31 December 2022 out of the share premium account of the Company, which was approved by the shareholders of the Company at the annual general meeting held on 30 May 2023, with the eligible shareholders being given an option to elect to receive the final dividend all in cash, or all in new shares, or partly in new shares and partly in cash. The election of the shareholders to receive final dividend all or partly in new shares had been determined as of 27 June 2023. As at 30 June 2023, the final dividend would be settled by cash of approximately RMB381,706,000 and issue of the Company's shares of approximately RMB1,701,441,000.

2. On 21 March 2024, the Board recommended the payment of a final dividend of HK\$1.30 per share for the year ended 31 December 2023 out of the share premium account of the Company, which was approved by the shareholders of the Company at the annual general meeting held on 24 May 2024, with the eligible shareholders being given an option to elect to receive the final dividend all in cash, or all in new shares, or partly in new shares and partly in cash. The election of the shareholders to receive final dividend all or partly in new shares had been determined as of 30 June 2024. As at 30 June 2024, the final dividend would be settled by cash of approximately RMB652,259,000 and issue of the Company's shares of approximately RMB1,596,250,000.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June 2024 RMB'000 (Unaudited)	For the six months ended 30 June 2023 RMB'000 (Unaudited)
Net cash (used in)/from operating activities		(3,411,876)	33,639,003
Net cash from/(used in) investing activities		811,866	(9,663,691)
Net cash used in financing activities (Note)		(2,268,153)	(13,925,184)
Net (decrease)/increase in cash and cash equivalents		(4,868,163)	10,050,128
Cash and cash equivalents as at 1 January		51,119,518	47,367,877
Effect of foreign exchange rate changes on cash and cash equivalents		4,271	43,743
Cash and cash equivalents as at 30 June	15	46,255,626	57,461,748

Note: Included in net cash used in financing activities for the six months ended 30 June 2024 were repayment of interest-bearing borrowings, loans from intermediate holding company and amounts due to non-controlling interests of approximately RMB117,912.22 million (corresponding period of the previous year: approximately RMB138,468.10 million).

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. GENERAL INFORMATION

The Company's functional currency is Hong Kong Dollars ("HK\$"). However, the interim condensed consolidated financial information for the six months ended 30 June 2024 (the "Interim Financial Information") is presented in Renminbi ("RMB"), as the Directors consider that RMB is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its existing and potential investors. The Interim Financial Information is presented in thousands of RMB ("RMB'000"), unless otherwise stated.

Well Land International Limited ("Well Land") is the Company's immediate holding company which was incorporated in the British Virgin Islands ("BVI") with limited liability; C&D Real Estate Corporation Limited\* (建發房地產集團有限公司) ("C&D Real Estate") which was incorporated in the People's Republic of China (the "PRC" or "China") with limited liability is the Company's intermediate holding company and Xiamen C&D Corporation Limited\* (廈門建發集團有限公司) ("Xiamen C&D") which was incorporated in the PRC with limited liability is the Company's ultimate holding company.

## 2. BASIS OF PREPARATION

The Interim Financial Information is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

## 3. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### **New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2024**

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2023, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendment to HKFRS 16  
Amendments to HKAS 1

Amendments to HKAS 1  
Amendments to HKAS 7 and HKFRS 7

Lease Liability in a Sale and Leaseback  
Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5  
Non-current Liabilities with Covenants  
Supplier Finance Arrangements

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 3. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

### HKFRSs in issued but not yet effective

At the date of authorisation of this Interim Financial Report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or Joint Venture <sup>2</sup>
Amendments to HKAS 21	Lack of exchangeability <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective date not yet determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the Period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

## 4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segment based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

The Group is principally engaged in the businesses of property development and property management and other related services. The property development and property management and other related services businesses have been identified as a single segment on the basis for internal management reports that are regularly reviewed by the chief operating decision-maker. No separate analysis is presented.

As the chief operating decision-maker of the Company considers that most of the Group's revenue and results are attributable to the market in the PRC, and the Group's assets are substantially located inside the PRC, no geographical information is presented.

For the six months ended 30 June 2024 and 2023, none of customers contributed 10% or more of the Group's revenue.

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Property development	31,010,852	22,743,526
Property management and other related services (Note)	1,742,451	1,615,664
	<b>32,753,303</b>	24,359,190

Note: The balance mainly comprises revenue from property management services of RMB1,036,916,000 (corresponding period of the previous year: RMB907,342,000), revenue from construction management service and entrusted construction services of RMB403,397,000 (corresponding period of the previous year: RMB454,187,000) and rental income from property leasing of RMB39,753,000 (corresponding period of the previous year: RMB36,735,000) of which rental income does not fall within the scope of HKFRS 15.

Disaggregation of revenue is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Timing of revenue recognition		
— A point in time	31,121,612	22,855,375
— Over time	1,631,691	1,503,815
	<b>32,753,303</b>	24,359,190

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 5. OTHER INCOME

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income from:		
— banks	318,965	520,769
— loans to associates	20,080	27,935
— loans to joint ventures	11,261	18,882
— others	4,849	6,743
	<b>355,155</b>	574,329
Compensation income	16,492	25,778
Government grants	11,246	11,457
Gain on changes in fair value of financial assets measured at FVTPL	1,000	12,318
Sundry income	25,240	18,004
	<b>409,133</b>	641,886

## 6. FINANCE COSTS

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest charges on:		
Bank borrowings	872,978	999,187
Loans from intermediate holding company	658,252	796,379
Amounts due to non-controlling shareholders	37,052	127,005
Amounts due to associates	16,077	121,379
Amounts due to joint ventures	3,742	—
Significant financing component of contract liabilities	2,509,394	3,671,414
Finance charges on lease liabilities	2,828	2,895
Total borrowing costs	<b>4,100,323</b>	5,718,259
Less: Interest capitalised	<b>(3,833,616)</b>	(5,345,481)
	<b>266,707</b>	372,778

Borrowing costs have been capitalised at various applicable rates ranging from 1.30% to 10.00% per annum (corresponding period of the previous year: 1.40% to 10.00% per annum).

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Auditor's remuneration	–	–
Cost of properties sold	27,441,170	19,661,380
Depreciation:		
— Owned assets	16,294	12,006
— Right-of-use assets	36,766	31,569
(Reversal of)/provision for the expected credit loss ("ECL") allowance on loans to associates and joint ventures	(65,225)	50,589
(Reversal of)/provision for ECL allowance on trade and other receivables	(29,753)	3,963
Provision for ECL allowance on amounts due from non-controlling interests	5,086	13,070
Net foreign exchange (gains)/ losses	(2,837)	100
Lease charges of short leases	13,281	14,364
Outgoings in respect of investment properties that generated rental income	3,797	2,534
Provision for inventories of properties and other contract costs	284,937	72,271

## 8. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Current income tax</b>		
PRC corporate income tax ("CIT")		
— The period	1,009,099	2,418,680
PRC land appreciation tax ("LAT")	160,112	31,352
	1,169,211	2,450,032
<b>Deferred tax</b>	(597,995)	(1,980,401)
<b>Total income tax expense</b>	571,216	469,631

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 8. INCOME TAX EXPENSE *(Continued)*

Notes:

### (a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit arising in Hong Kong during the six months ended 30 June 2024 and 2023.

### (b) PRC CIT

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the Period, based on the existing legislation, interpretations and practices in respect thereof.

PRC CIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% for the six months ended 30 June 2024 and 2023.

### (c) PRC LAT

Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs, additional tax and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

### (d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new CIT Law issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

### (e) Cayman Islands corporate tax

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any corporate tax in Cayman Islands for the six months ended 30 June 2024 and 2023.

### (f) BVI profits tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI for the six months ended 30 June 2024 and 2023.



# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 9. DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (corresponding period of the previous year: Nil).

## 10. EARNINGS PER SHARE

### (A) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the Period.

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Profit for the purpose of basic earnings per share:</b>		
Profit for the period attributable to the equity holders of the Company	817,068	1,284,140
Weighted average number of ordinary shares in issue during the Period (thousands)	1,727,565	1,603,366
Earnings per share (expressed in RMB cents per share)	47.30	80.09

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 10. EARNINGS PER SHARE *(Continued)*

### (B) Diluted earnings per share

The restricted shares granted by the Company have potential dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from restricted shares granted by the Company (collectively forming the denominator for computing the diluted earnings per share). In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the restricted shares granted by the Company's non-wholly owned subsidiary.

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit for the period attributable to the equity holders of the Company	817,068	1,284,140
Dilution effect arising from restricted shares issued by non-wholly owned subsidiary	(3,255)	(1,681)
Profit attributable to equity holders of the Company for the calculation of diluted earnings per share	813,813	1,282,459
<b>Shares</b>		
Weighted average number of ordinary shares in issue (thousands)	1,727,565	1,603,366
Adjustments for restricted shares (thousands)	167,426	120,386
Weighted average number of ordinary shares for the calculation of diluted earnings per share (thousands)	1,894,991	1,723,752
<b>Earnings per share (expressed in RMB cents per share)</b>	<b>42.95</b>	74.40

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 11. INVESTMENT PROPERTIES

Movements of the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Carrying amount at 1 January	<b>1,668,273</b>	1,308,134
Change in fair value of investment properties	<b>(1,369)</b>	(51,776)
Subsequent expenditures	–	578
Transfers from inventories of properties	–	411,337
Carrying amount at 30 June 2024/31 December 2023	<b>1,666,904</b>	1,668,273

As at 30 June 2024, the investment properties with a fair value of RMB627,000,000 (as at 31 December 2023: RMB630,000,000) have been pledged to banks to secure the Group's bank borrowings. Details of the secured bank borrowings are set out in Note 18.

The analysis of the net carrying amounts of investment properties according to lease periods is as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
In PRC:		
Leases of between 10 to 50 years	<b>1,666,904</b>	1,668,273

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 11. INVESTMENT PROPERTIES *(Continued)*

### **Valuation process and methodologies**

Investment properties were valued at 30 June 2024 and 31 December 2023 by independent professional qualified valuers, Cushman & Wakefield International Property Advisers (Guangzhou) Co., Ltd. and Xiamen Academic Practice Valuer Co., Ltd., who have the relevant experience in the location and category of properties being valued. There was no change to the valuation techniques during the Period.

Discussions of valuation processes and results are held between management and the valuers on a semi-annual basis, in line with the Group's interim and annual reporting dates.

### **Fair value hierarchy**

Fair value adjustment of investment properties is recognised in the line item "Loss on changes in fair value of investment properties" on the face of the consolidated statement of profit or loss and other comprehensive income.

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

As at 30 June 2024 and 31 December 2023, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation was arrived at by reference to certain significant unobservable inputs. There were no transfers into or out of Level 3 during the Period (2023: Nil).

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 11. INVESTMENT PROPERTIES (Continued)

### Fair value hierarchy (Continued)

The fair value of investment properties is determined using the direct capitalisation method by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. The fair value measurement is positively correlated to the market monthly rental rate and factors adjustment, and negatively correlated to capitalisation rate.

	Valuation techniques	Significant unobservable inputs	Range	
			As at 30 June 2024	As at 31 December 2023
Investment properties (Nanning District)	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	36–1,920	40–2,101
		Capitalisation rate of reversionary income	3.5%–7.0%	3.5%–7.0%
Investment properties (Shanghai District)	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	228–507	541–598
		Capitalisation rate of reversionary income	5.5%–6.0%	5.5%–6.0%
Investment properties (Suzhou District)	Market comparison approach	Market price (RMB/sq.m.)	28,800	29,000
		Premium on location, environment, age, accessibility, floor, size, etc of the properties	4.0%	4.5%

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 11. INVESTMENT PROPERTIES (Continued)

### Fair value hierarchy (Continued)

	Valuation techniques	Significant unobservable inputs	Range	
			As at 30 June 2024	As at 31 December 2023
Investment properties (Fuzhou District)	Income approach	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	47	47
		Discount rate	5.5%	5.5%
Investment properties (Chengdu District)	Income approach	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	44	40
		Discount rate	5.0%	5.0%
Investment properties (Putian District)	Income approach	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	28	29
		Discount rate	5.5%	5.5%

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 12. OTHER FINANCIAL ASSETS

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	<b>As at 31 December 2023 RMB'000 (Audited)</b>
<b>Other current financial assets:</b>		
<b>Financial assets measured at fair value through profit or loss</b>		
Subordinated tranche securities (Note (i))	–	1,000
<b>Other non-current financial assets:</b>		
<b>Financial assets measured at fair value through profit or loss</b>		
Unlisted equity securities	<b>116,538</b>	115,538

Note:

- (i) As at 31 December 2023, the amount comprised one non-tradable subordinated tranche securities, which had no fixed coupon rate and an entitlement to residual returns upon maturity, with the maturity date on 28 June 2024.

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 13. INVENTORIES OF PROPERTIES, OTHER INVENTORIES AND OTHER CONTRACT COSTS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Inventories of properties		
Properties under development (Note (a))	<b>277,226,201</b>	254,715,815
Properties held for sale (Note (a))	<b>17,730,596</b>	14,559,515
	<b>294,956,797</b>	269,275,330
Other inventories	<b>137,230</b>	55,321
Other contract costs (Note (b))	<b>2,160,756</b>	1,591,877
	<b>297,254,783</b>	270,922,528
Inventories of properties	<b>298,755,712</b>	273,681,528
Less: Provision for inventories	<b>(3,798,915)</b>	(4,406,198)
	<b>294,956,797</b>	269,275,330

Notes:

### (a) Inventories of properties

The properties under development and properties held for sale are all located in the PRC. The relevant land use rights are on lease of 40 to 70 years.

As at 30 June 2024, properties under development with carrying amount of RMB46,390,078,000 (31 December 2023: RMB43,975,355,000) have been pledged to banks to secure the Group's bank borrowings. Details of the secured bank borrowings are set out in note 18.

### (b) Other contract costs

Contract costs capitalised relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "Selling expenses" in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the Period was RMB356,177,000. There was no impairment in relation to the costs capitalised during the Period.



# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Trade receivables</b> (Note (a))		
From third parties	1,840,155	2,727,964
From related parties	21,823	23,854
Less: Loss allowance	(162,047)	(193,563)
	<b>1,699,931</b>	2,558,255
<b>Other receivables</b>		
Deposits (Note (b))	2,601,789	1,593,541
Prepayment	185,745	121,276
Other receivables	875,531	997,144
Payments on behalf of property owners	37,059	35,267
Value-added-tax receivables	7,641,164	6,217,807
	<b>11,341,288</b>	8,965,035
Less: Loss allowance	(70,347)	(68,584)
	<b>11,270,941</b>	8,896,451
	<b>12,970,872</b>	11,454,706

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 14. TRADE AND OTHER RECEIVABLES *(Continued)*

- (a) Trade receivables mainly arose from property development, property management and other related services. Trade receivables were settled in accordance with the terms stipulated in the property sale and purchase agreements or service agreements.

Based on the invoice dates, the ageing analysis of the trade receivables, net of loss allowance, is as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	<b>As at 31 December 2023 RMB'000 (Audited)</b>
0–30 days	443,336	1,606,463
31–90 days	150,868	239,289
91–180 days	172,739	82,008
181–365 days	513,373	247,256
Over 1 year	419,615	383,239
	<b>1,699,931</b>	<b>2,558,255</b>

Movements of the Group's loss allowance on trade receivables are as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	<b>As at 31 December 2023 RMB'000 (Audited)</b>
Balance at 1 January	193,563	79,406
ECL allowances recognised during the period/the year	<b>(31,516)</b>	114,157
<b>Balance at 30 June 2024/31 December 2023</b>	<b>162,047</b>	<b>193,563</b>

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 14. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

Movements of the Group's loss allowance on other receivables are as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Balance at 1 January	<b>68,584</b>	53,326
ECL allowances recognised during the period/the year	<b>1,763</b>	15,258
<b>Balance at 30 June 2024/31 December 2023</b>	<b>70,347</b>	68,584

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. For the six months ended 30 June 2024, the Group has made (reversal of) provision for ECL allowances for trade receivables and other receivables of approximately RMB(31,561,000) and RMB1,763,000 (for the year ended 31 December 2023: RMB114,157,000 and RMB15,258,000) respectively.

- (b) Deposits mainly included rental deposits, utilities deposits, deposits for construction work, miscellaneous project-related deposits.
- (c) The Group had entered into several contractual arrangements with independent third parties in respect of the proposed acquisitions of equity interests in certain PRC entities, which own land use rights and/or property development projects in the PRC.
- (d) The Directors of the Group considered that the fair values of trade and other receivables were not materially different from their carrying amounts because these amounts had short maturity periods on their inception.

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 15. CASH AT BANKS AND ON HAND

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Cash at banks and on hand	<b>46,255,626</b>	51,119,518
Restricted bank deposits	<b>2,961,918</b>	3,041,801
	<b>49,217,544</b>	54,161,319

Bank balances of RMB48,336,711,000 (31 December 2023: approximately RMB53,467,918,000) are denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Restricted bank deposits represented security deposits for construction of pre-sale properties mainly denominated in RMB placed in designated accounts. In accordance with relevant government requirements, certain property development companies of the Group are required to place in designated bank accounts certain amount of pre-sale proceeds as security deposits for the construction of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained. Such security deposits will be released upon completion of construction of the related properties.

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 16. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Trade payables</b>	<b>25,211,637</b>	26,851,284
<b>Other payables</b>		
Receipts in advance and other payables	110,200	310,298
Interest payable	20,583	28,376
Salaries payable	435,189	1,059,912
Value-added-tax payable	387,997	798,083
Deposits received	994,539	936,436
Accrued expenses	1,490,880	1,982,387
Collection and payment on behalf of others	709,177	928,401
Payable for restricted share incentive scheme	1,269,829	1,269,300
Dividends payables	668,262	–
	<b>6,086,656</b>	7,313,193
	<b>31,298,293</b>	34,164,477

Notes:

- (a) The credit terms of trade payables vary according to the terms agreed with different suppliers. Included in trade payables are trade creditors with the following aging analysis, based on invoice dates, as at the end of the Period:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0–30 days	9,339,989	10,674,788
31–60 days	3,460,594	2,824,192
61–90 days	1,721,485	1,952,943
Over 90 days	10,689,569	11,399,361
	<b>25,211,637</b>	26,851,284

- (b) The carrying values of trade and other payables are considered to be reasonable approximations of their fair values.
- (c) Accrued expenses mainly include selling and marketing expenses.

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 17. AMOUNTS DUE FROM/(TO) RELATED COMPANIES/NON-CONTROLLING INTERESTS/ LOANS FROM INTERMEDIATE HOLDING COMPANY

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due from non-controlling interests	46,911,512	41,870,182
Less: Loss allowance	(46,911)	(41,825)
	<b>46,864,601</b>	41,828,357
	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due to related companies:		
— Intermediate holding company	2,956,292	3,104,493
— Associates	10,349,899	10,617,524
— Joint Ventures	5,729,560	5,196,749
	<b>19,035,751</b>	18,918,766
Amounts due to non-controlling interests	<b>5,758,814</b>	6,181,704

As at 30 June 2024 and 31 December 2023, the amounts due from/(to) non-controlling interests/associates/joint ventures/intermediate holding company are unsecured, interest-free and repayable on demand, except that amounts due from non-controlling interests of RMB308,634,000 (as at 31 December 2023: Nil), bear interest ranging from 6.50% to 10.00% (2023: Nil) per annum; amounts due to non-controlling interests of RMB1,001,408,000 (as at 31 December 2023: RMB1,364,963,000), bear interest ranging from 4.20% to 10.00% (2023: 3.55% to 10.00%) per annum; amounts due to associates of RMB2,797,734,000 (as at 31 December 2023: RMB3,486,160,000) bear interest ranging from 3.25% to 3.45% per annum (2023: 3.43% to 4.75%), and amounts due to joint ventures of RMB646,480,000 (31 December 2023: RMBNil), bear interest ranging from 2.16% to 4.20% (2023: Nil) per annum.

As at 30 June 2024, the loans from intermediate holding company are unsecured, bearing interest at effective interest rate of 4.45% (31 December 2023: at effective interest rate of 4.53%) per annum and would not be repayable within one year.

The carrying amounts of the balances approximate their fair values.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

### 17. AMOUNTS DUE FROM/(TO) RELATED COMPANIES/NON-CONTROLLING INTERESTS/ LOANS FROM INTERMEDIATE HOLDING COMPANY *(Continued)*

Movements of the Group's loss allowance on amounts due from non-controlling interests are as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Balance at 1 January	<b>41,825</b>	35,488
ECL allowances recognised during the period/year	<b>5,086</b>	6,337
Balance at 30 June 2024/31 December 2023	<b>46,911</b>	41,825

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. The Group applies the 12-month ECL method to amounts due from non-controlling interests in providing for ECL prescribed by HKFRS 9. As at 30 June 2024, the Group has made provision of impairment for amounts due from non-controlling interests of approximately RMB46,911,000 (at 31 December 2023: RMB41,825,000).

### 18. INTEREST-BEARING BORROWINGS

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Bank loans		
— Secured	<b>7,719,191</b>	9,154,128
— Unsecured	<b>27,195,882</b>	22,922,160
	<b>34,915,073</b>	32,076,288

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 18. INTEREST-BEARING BORROWINGS (Continued)

The Group's bank loans were repayable as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Carrying amount repayable		
Within one year or on demand	<b>5,372,496</b>	5,922,005
In the second year	<b>12,243,489</b>	11,511,027
In the third to fifth year	<b>16,990,868</b>	14,325,275
After the fifth year	<b>308,220</b>	317,981
	<b>34,915,073</b>	32,076,288
Less: Amounts shown under current liabilities	<b>(5,372,496)</b>	(5,922,005)
	<b>29,542,577</b>	26,154,283

As at 30 June 2024 and 31 December 2023, the Group's bank loans are secured by the legal charges over the Group's properties under development with carrying value of approximately RMB46,390,078,000 (31 December 2023: RMB43,975,355,000) and investment properties with fair value of approximately RMB627,000,000 (31 December 2023: RMB630,000,000).

As at 30 June 2024 and 31 December 2023, unsecured borrowings of RMB16,635,704,000 (31 December 2023: RMB19,777,755,000) were guaranteed by C&D Real Estate, and RMB10,508,377,000 (31 December 2023: RMB3,092,325,000) were guaranteed by both C&D Real Estate and certain non-controlling interests.

As at 30 June 2024 and 31 December 2023, the bank loans bear effective interest rates ranging from 1.30% to 4.50% (31 December 2023: from 1.30% to 4.59%) per annum, except for bank loans of RMB51,800,000 (31 December 2023: RMB51,800,000) which bear a fixed interest rate of 6.50% (31 December 2023: 6.50%) per annum.



# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 19. SHARE CAPITAL

	Number of shares	Amount RMB'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
As at 31 December 2023 (audited) and 30 June 2024 (unaudited)	3,000,000,000	254,870
<b>Issued and fully paid:</b>		
As at 31 December 2023 (audited)/As at 30 June 2024 (unaudited)	1,895,684,126	163,148

## 20. MATERIAL CONNECTED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group entered into following transactions with related parties:

Nature of transactions	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Intermediate holding company:</b>		
Interest expenses on loans from intermediate holding company (note (a))	658,252	796,379
Raw materials procured from intermediate holding company (note (f))	201,918	48,628
<b>Associates:</b>		
Interest income on loans to associates (note (b))	(20,080)	(27,935)
Interest expenses on loans from associates (note (c))	16,077	121,379
<b>Joint ventures:</b>		
Interest income from loans to joint ventures (note (d))	(11,261)	(18,882)
<b>Fellow subsidiaries:</b>		
Construction management fee received (note (e))	11,032	20,042

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 20. MATERIAL CONNECTED PARTY TRANSACTIONS *(Continued)*

Notes:

- (a) During the six months ended 30 June 2024, the Group incurred loan interest expenses of RMB658,252,000 (corresponding period of the previous year: RMB796,379,000) to C&D Real Estate, the intermediate holding company. Pursuant to framework loan agreement with C&D Real Estate, C&D Real Estate agreed to grant loan facilities of not more than RMB60,000 million (corresponding period of the previous year: not more than RMB60,000 million) to certain subsidiaries of the Company for their project development at a loan interest rate of 4.45% (corresponding period of the previous year: 4.53%) per annum.
- (b) During the six months ended 30 June 2024, the Group earned interest income from associates by granting loans for their operations at a loan interest rate of 6.50% to 10.00% (corresponding period of the previous year: 3.65% to 10.00%) per annum.
- (c) During the six months ended 30 June 2024, the Group incurred interest expenses to the associates by granting loans for their operations which bear interest rates ranging from 3.25% to 3.45% (corresponding period of the previous year: 3.25% to 4.30%) per annum.
- (d) During the six months ended 30 June 2024, the Group earned interest income from the joint ventures by granting loans for their operations which bear interest rates ranging from 4.20% to 10.00% (corresponding period of the previous year: 6.00% to 10.00%) per annum.
- (e) During the six months ended 30 June 2024, the Group earned construction management fee income by providing services ranging from design, construction and completion to delivery throughout the project construction process to companies controlled by Xiamen C&D.
- (f) During the six months ended 30 June 2024, the Group procured raw materials from Xiamen C&D Inc., an intermediate holding company, in respect of the Group's operations such as real estate development and construction.

### Key management personnel remuneration

Key management of the Group are members of the Board of Directors and senior management. Included in employee benefit expenses are key management personnel remuneration which include the following expenses:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Basic salaries and allowances	6,398	6,273
Retirement benefit scheme contributions	122	149
Share-based payments	5,768	4,548
	<b>12,288</b>	10,970

## 21. EVENTS AFTER THE REPORTING DATE

### Scrip Dividend Scheme

On 8 July 2024, the Company allotted and issued 121,493,505 ordinary shares pursuant to the exercise of the scrip dividend option by the eligible shareholders under the Company's scrip dividend scheme (the "Scrip Dividend Scheme") in relation to its final dividend for the year ended 31 December 2023 (the "Final Dividend"). For details of the Scrip Dividend Scheme, please refer to the circular of the Company dated 7 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET REVIEW

Demand in the real estate market has remained weak since the beginning of this year. According to the National Bureau of Statistics, the sales value of new commercial housing nationwide in the first half of 2024 amounted to RMB4,713.3 billion, representing a year-on-year decrease of 25.0%. The real estate industry is undergoing tendency and structural changes such as scale contraction, urban differentiation and increased market concentration, and real estate enterprises are facing difficulties and challenges due to weak market demand. Due to the complex internal and external circumstances, market environments and numerous uncertainties, the industry is also experiencing a relatively prolonged recovery process.

With the deep adjustment in China's real estate industry in recent years, the demand structure has shifted from "being predominantly driven by essential needs" to "a focus on improvement", while the function of housing has transitioned from a "financial attribute" back to a "residential attribute". At the same time, industry concentration has further increased, with various resources converging towards leading real estate enterprises. As a result, the market share of well-managed leading real estate enterprises are expected to continue to increase.

## BUSINESS REVIEW

The Group is principally engaged in the business of property development, real estate industry chain investment services and emerging industry investment. During the Period, the main source of revenue for the Company was property development.

During the Period, the revenue of the Group was approximately RMB32,753.30 million, representing an increase of approximately RMB8,394.11 million (or approximately 34.5%) as compared to approximately RMB24,359.19 million for the corresponding period of the previous year. The gross profit of the Group amounted to approximately RMB3,902.75 million, representing an increase of approximately RMB188.31 million (or approximately 5.1%) as compared to approximately RMB3,714.44 million for the corresponding period of the previous year. The profit attributable to the equity holders of the Company amounted to approximately RMB817.07 million, representing a decrease of approximately RMB467.07 million (or approximately 36.4%) as compared to approximately RMB1,284.14 million for the corresponding period of the previous year.

### Property Development Business

#### Sales of Properties

During the Period, the Group's revenue from property development business was approximately RMB31,010.85 million, representing an increase of approximately RMB8,267.32 million as compared to approximately RMB22,743.53 million for the corresponding period of the previous year and accounting for approximately 94.68% of the Group's total revenue during the Period. During the Period, the gross floor area ("GFA") of the properties delivered was approximately 2,052,000 sq.m., representing an increase of approximately 252,000 sq.m. as compared with the corresponding period of the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

The amount recognised for sales by city is set out in the following table:

City	For the six months ended 30 June	
	2024	2023
	Amount (RMB ten thousand)	
Xiamen	786,311	346,577
Ningbo	344,289	—
Putian	310,274	38,928
Chengdu	287,467	341,742
Wuxi	216,893	67,580
Ningde	208,107	1,620
Zhangzhou	163,966	198,148
Fuzhou	156,609	2,090
Wenzhou	104,782	—
Changsha	81,565	4,920
Jiujiang	77,824	—
Huangshi	70,844	—
Nanning	51,313	432,539
Shangrao	33,296	—
Zhuzhou	27,970	51,323
Nantong	22,517	—
Suqian	16,195	—
Foshan	15,396	—
Guangzhou	15,342	26,903
Quanzhou	12,824	159,831
Hefei	12,632	—
Nanping	12,292	49,961
Jiangmen	11,881	—
Nanjing	11,134	2,550
Suzhou	11,016	228,622
Longyan	7,527	117,253
Yiyang	6,040	—
Guiyang	5,235	2,236
Huai'an	4,354	—
Hangzhou	3,810	5,303
Shanghai	2,371	9,074
Taizhou	2,353	—
Jinan	2,135	—
Liuzhou	1,804	70,777
Bengbu	1,549	7,123
Wuhan	665	11,136
Lu'an	208	—
Zhuhai	171	14,830
Chongqing	124	83,287
<b>Total</b>	<b>3,101,085</b>	<b>2,274,353</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Contracted Sales

During the Period, the Group, together with its joint ventures and associates, achieved the cumulative contracted sales attributable to the shareholders of the Company (the "Shareholders") amounting to approximately RMB50.87 billion, representing a decrease of approximately 31.9% as compared with the corresponding period of the previous year (corresponding period of the previous year: approximately RMB74.73 billion). During the Period, the cumulative contracted sales GFA attributable to the Shareholders was approximately 2,459,000 sq.m., representing a decrease of approximately 26.3% as compared with the corresponding period of the previous year.

The amount and GFA sold for contracted sales attributable to the Shareholders by city are set out in the following table:

City	For the six months ended 30 June			
	2024		2023	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Hangzhou	1,012,884	235,851	143,927	35,886
Beijing	417,680	90,909	514,494	71,791
Suzhou	267,582	112,253	851,894	236,848
Shanghai	258,578	68,956	1,225,963	211,205
Changsha	256,776	150,351	287,561	214,637
Quanzhou	246,537	210,531	165,422	140,697
Chengdu	208,524	79,421	509,926	202,363
Xiamen	183,537	71,937	737,861	184,588
Wuxi	172,829	84,836	324,494	203,478
Longyan	145,948	117,850	96,119	86,082
Taizhou	144,795	60,003	19,862	6,209
Nanjing	144,794	47,620	117,655	55,148
Nanchang	122,877	106,863	59,049	40,208
Wenzhou	122,823	48,536	58,387	21,321
Zhangzhou	119,104	110,504	174,497	173,727
Fuzhou	93,223	40,761	367,339	128,380
Guiyang	81,201	84,423	110,792	111,575
Jinan	75,406	74,278	89,880	97,025
Putian	73,170	53,068	172,347	125,714
Ningbo	70,325	20,581	278,901	72,929
Guangzhou	65,435	21,413	67,476	18,460
Wuhan	58,860	17,493	14,679	8,223
Xuzhou	58,776	20,060	80,849	42,314
Nantong	58,362	33,882	82,309	48,514
Hefei	57,096	22,028	21,906	11,264
Dongguan	54,983	12,431	—	—

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June

City	2024		2023	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Chongqing	49,780	24,460	28,214	19,401
Foshan	49,342	37,364	75,720	55,089
Suqian	45,673	48,508	51,650	33,743
Lishui	44,451	19,726	–	–
Nanning	40,998	52,046	196,511	166,026
Zhuzhou	34,196	47,811	36,908	53,240
Jiaxing	31,424	17,399	–	–
Huangshi	24,515	29,923	22,467	28,935
Ningde	24,191	22,119	118,192	101,416
Bengbu	21,501	14,581	38,429	33,991
Nanping	21,427	24,123	48,046	56,668
Jiangmen	19,367	21,653	53,183	44,733
Liuzhou	18,844	19,722	12,398	11,710
Yiyang	18,120	23,611	19,354	30,060
Huai'an	13,562	9,002	53,451	30,414
Shangrao	13,372	20,914	32,715	47,057
Lu'an	11,526	11,686	18,047	17,474
Shaoxing	10,293	2,294	35,465	8,740
Yiwu	9,470	2,622	16,956	4,419
Jiujiang	9,141	8,440	26,828	35,543
Yancheng	3,716	4,427	5,211	5,610
Zhuhai	262	205	5,133	4,132
Shenzhen	–	–	4,604	1,136
<b>Total</b>	<b>5,087,276</b>	<b>2,459,475</b>	<b>7,473,071</b>	<b>3,338,123</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Land Reserves

As at 30 June 2024, the Group had 334 projects in the PRC, and the aggregate saleable GFA of land reserves was approximately 14,448,000 sq.m..

The amount of saleable GFA and attributable GFA of land reserves by city are set out in the following table:

City	As at 30 June 2024		As at 31 December 2023	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Hangzhou	1,379,128	959,744	428,508	284,615
Shanghai	920,327	657,442	1,017,849	742,298
Xiamen	846,110	716,679	612,186	477,659
Wuxi	732,709	424,698	886,857	544,412
Nanchang	697,598	579,971	736,104	605,827
Fuzhou	686,345	446,269	533,281	332,687
Guiyang	646,963	646,963	746,692	746,692
Changsha	634,147	446,220	720,336	566,839
Zhuzhou	599,418	599,418	651,178	651,178
Suzhou	581,573	444,904	789,550	624,998
Chengdu	540,068	444,028	446,296	315,444
Suqian	430,886	430,886	483,497	483,497
Wenzhou	392,522	154,885	504,070	216,041
Huangshi	376,806	376,806	408,940	408,940
Quanzhou	346,489	288,800	630,133	530,817
Huai'an	337,846	270,277	359,998	287,999
Longyan	310,610	261,906	372,935	335,928
Foshan	300,189	265,826	352,322	308,190
Beijing	298,226	277,348	412,497	380,401
Taizhou	281,886	205,454	382,010	271,113
Putian	263,056	134,029	289,212	163,164
Jinan	251,423	216,513	276,576	248,461
Zhangzhou	245,033	167,485	419,944	291,306
Chongqing	217,921	138,066	260,064	168,494
Nanjing	206,337	160,129	308,696	244,450
Wuhan	175,300	162,085	65,754	49,448
Hefei	163,813	88,205	235,488	127,006
Yiyang	158,729	158,729	188,242	188,242
Jiangmen	146,171	78,791	182,199	105,077
Nantong	141,202	135,410	180,609	173,048
Ningde	130,542	72,738	181,661	108,909

## MANAGEMENT DISCUSSION AND ANALYSIS

City	As at 30 June 2024		As at 31 December 2023	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Yancheng	120,344	58,969	142,003	69,582
Nanning	108,864	91,678	187,056	158,044
Ningbo	105,373	98,193	147,448	75,958
Nanping	92,115	63,007	128,969	90,056
Guangzhou	80,505	72,066	107,107	95,183
Xuzhou	80,064	47,496	122,002	68,170
Jiaxing	79,831	59,873	131,455	131,455
Yiwu	70,303	23,200	79,945	26,382
Bengbu	57,795	57,795	78,647	78,647
Liuzhou	53,054	53,054	73,911	73,911
Dongguan	42,745	29,922	60,503	42,352
Zhuhai	39,862	39,862	40,346	40,346
Shaoxing	33,033	16,879	38,199	19,553
Lishui	29,937	29,937	52,245	52,245
Shangrao	10,198	8,798	37,691	29,712
Jiujiang	4,319	3,049	23,969	15,996
<b>Total</b>	<b>14,447,715</b>	<b>11,164,482</b>	15,515,180	12,050,772



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The following table sets out the Group's revenue from the following segments and as a percentage of the total revenue for the relevant periods:

	For the six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
Property development	31,010,852	94.68	22,743,526	93.37
Property management and other related services (Note)	1,742,451	5.32	1,615,664	6.63
Total	32,753,303	100.00	24,359,190	100.00

Note: Represents income from property management services, construction management services, entrusted construction services and other related services.

#### *Property development*

Revenue from property development increased by approximately RMB8,267.32 million from approximately RMB22,743.53 million for the corresponding period of the previous year to approximately RMB31,010.85 million for the Period. Saleable GFA delivered for the six months ended 30 June 2023 and 2024 were approximately 1,800,000 sq.m. and 2,052,000 sq.m., respectively. The revenue derived from property development for the Period increased mainly due to the increase in saleable GFA sold and delivered in the Period as compared with the corresponding period of the previous year.

#### *Property management and other related services*

Revenue from property management and other related services increased by approximately RMB126.79 million from approximately RMB1,615.66 million for the corresponding period of the previous year to approximately RMB1,742.45 million for the Period. Such increase was mainly attributable to the increase in revenue from property management service as a result of the increase in GFA under management.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cost of Sales

Cost of sales increased by approximately RMB8,205.80 million from approximately RMB20,644.75 million for the corresponding period of the previous year to approximately RMB28,850.55 million for the Period, primarily attributable to the increase in saleable GFA sold and delivered during the Period.

## Gross Profit and Gross Profit Margin

The gross profit amounted to approximately RMB3,714.44 million and RMB3,902.75 million for the six months ended 30 June 2023 and 2024, respectively, representing a gross profit margin of approximately 15.25% and 11.92% respectively. The decrease in gross profit margin was mainly due to the lower gross profit margin level of certain projects delivered with income carried forward during the Period as compared with those for the corresponding period of the previous year as a result of the significant downturn in the real estate market in recent years.

## Other Income

Other income amounted to approximately RMB641.89 million and RMB409.13 million for the six months ended 30 June 2023 and 2024, respectively. The decrease was mainly due to a decrease in bank interest income during the Period.

## Borrowing Costs

Borrowing costs incurred for the construction projects under development were capitalised during the Period. Other borrowing costs were expensed when incurred.

Total borrowing costs (excluding the significant financing component of contract liabilities and the finance charges on lease liabilities) decreased from approximately RMB2,043.95 million for the corresponding period of the previous year to approximately RMB1,588.10 million for the Period. The decrease was mainly due to the slight decrease in average financing interest rate as compared with those for the corresponding period of the previous year.

## Changes in Fair Value of Investment Properties

The loss on changes in fair value of investment properties was approximately RMB1.37 million during the Period (corresponding period of the previous year: loss of approximately RMB5.75 million). The loss reflected the adjustments in value of investment properties during the Period.

## Administrative Expenses

Administrative expenses increased by approximately RMB414.23 million to approximately RMB926.75 million for the Period from approximately RMB512.52 million for the corresponding period of the previous year. It was primarily due to the increase in provision for inventories of properties during the Period.

## Selling Expenses

Selling expenses increased by approximately RMB16.39 million to approximately RMB1,436.78 million for the Period from approximately RMB1,420.39 million for the corresponding period of the previous year. It was mainly due to the increase in marketing expenses such as corresponding contract costs in line with the increase in the delivery of property development projects during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit before Income Tax

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB2,007.69 million for the Period, representing an increase of approximately RMB116.21 million from approximately RMB1,891.48 million for the corresponding period of the previous year.

## Income Tax Expense

Income tax expense increased from approximately RMB469.63 million in the corresponding period of the previous year to approximately RMB571.22 million for the Period. The increase in income tax expense was mainly due to better-than-expected results in the settlement of certain items of land value-added tax in the corresponding period of the previous year, leading to a decrease in the PRC land value-added tax as compared to the Period.

## Profit Attributable to the Equity Holders of the Company

The profit attributable to the equity holders of the Company decreased by approximately RMB467.07 million (or approximately 36.4%) from approximately RMB1,284.14 million for the corresponding period of the previous year to approximately RMB817.07 million for the Period.

## Liquidity and Financial Resources

The long-term funding and working capital required by the Group were primarily derived from income generated from core business operations, bank borrowings, loans from intermediate holding company and cash proceeds derived from receipt in advance from the pre-sale of properties, which were used to finance its business operations and investment in construction projects. The Group's liquidity position was well-managed during the Period.

The Group continued to adopt a prudent financing policy and sustained a sound capital structure with healthy cash flow. As at 30 June 2024, the Group's cash at banks and on hand amounted to approximately RMB49,217.54 million (as at 31 December 2023: approximately RMB54,161.32 million) while total assets and net assets (after deducting non-controlling interests) were approximately RMB459,180.15 million (as at 31 December 2023: approximately RMB427,277.51 million) and approximately RMB33,851.49 million (as at 31 December 2023: approximately RMB33,456.48 million), respectively. As at 30 June 2024, the Group's working capital amounted to approximately RMB144,253.92 million (as at 31 December 2023: approximately RMB130,399.98 million). As at 30 June 2024, the Group recorded net debt of approximately RMB43,958.55 million (as at 31 December 2023: approximately RMB30,595.49 million) with net debt to equity ratio of approximately 45.72% (as at 31 December 2023: approximately 33.64%).

As at 30 June 2024, the Group had (i) interest-bearing borrowings of approximately RMB34,915.07 million denominated in RMB which bore an interest rate ranging from 1.30% to 6.50% per annum (as at 31 December 2023: approximately RMB32,076.29 million which bore an interest rate ranging from 1.30% to 4.5875% per annum); and (ii) loans from intermediate holding company of approximately RMB53,815.40 million denominated in RMB which bore an interest rate at 4.45% per annum (as at 31 December 2023: approximately RMB47,829.40 million which bore an interest rate at 4.53% per annum); and (iii) the amounts due to non-controlling shareholders of the Company of approximately RMB1,001.41 million denominated in RMB which bore an interest rate ranging from 4.20% to 10.00% per annum (as at 31 December 2023: approximately RMB1,364.96 million which bore an interest rate ranging from 3.55% to 10.00% per annum); and (iv) the amounts due to associates of the Company of approximately RMB2,797.73 million denominated in RMB which bore an interest rate ranging from 3.25% to 3.45% per annum (as at 31 December 2023: approximately RMB3,486.16 million which bore an interest rate ranging from 3.43% to 4.75% per annum); and (v) the amounts due to joint ventures of the Company of approximately RMB646.48 million denominated in RMB which bore an interest rate ranging from 2.16% to 4.20% per annum (as at 31 December 2023: Nil). Approximately 99.9% and 0.1% of the Group's borrowings carried interest on a floating rate basis and fixed rate basis, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

No particular trend of seasonality was observed for the Group's borrowing requirements for the Period.

The Group's gearing ratio (total borrowings divided by total equity) increased to approximately 96.9% as at 30 June 2024 (as at 31 December 2023: approximately 93.2%) due to an increase in interest-bearing borrowings and loans from intermediate holding company of the Company during the Period.

Of the total borrowings, approximately RMB9,818.12 million was repayable within one year while approximately RMB83,049.76 million was repayable after one year but within five years.

To manage liquidity risk, the Group monitored and maintained a level of cash and cash equivalents which the management considered to be adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group's management also monitored its net current assets/liabilities and the utilisation of borrowings to ensure efficient use of the available banking facilities and compliance with loan covenants.

## Financial Guarantee Contracts

During the Period, the Group had arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. The balance was approximately RMB61,823.26 million as at 30 June 2024 (as at 31 December 2023: approximately RMB77,444.07 million). The decrease was mainly attributable to the fact that no guarantee was provided by the Group in respect of the mortgage loans for the sales of some new properties during the Period.

## Capital Commitments

Capital commitments were contracts concluded but not provided for leasehold improvements, prepayments for intended cooperative projects concluded but not provided for allowance, nor for construction of properties under development. The balance of capital commitment was approximately RMB61,536.29 million as at 30 June 2024 (as at 31 December 2023: approximately RMB69,247.74 million). The decrease was attributable to the decrease in properties under development that concluded but not provided for allowance during the Period as compared to 2023.

## Pledge of Assets

As at 30 June 2024, the Group's bank loan was secured by legal charges in respect of investment properties with a fair value of approximately RMB627 million (as at 31 December 2023: approximately RMB630 million) and properties under development with carrying value of approximately RMB46,390.08 million (as at 31 December 2023: approximately RMB43,975.36 million).

## Capital Structure

As at 30 June 2024, the Company's issued share capital was HK\$189,568,412.6, divided into 1,895,684,126 ordinary shares (the "Shares") of HK\$0.1 each (as at 31 December 2023: HK\$189,568,412.6 divided into 1,895,684,126 Shares).

## Foreign Currency Exposure

The business operations of the Group were conducted mainly in the PRC and revenues and expenses are denominated mainly in RMB.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, except for the bank deposits denominated in foreign currencies (mainly HKD), the Group did not have significant foreign currency exposure from its operations.

As the Directors considered the Group's foreign exchange risk to be insignificant, the Group did not use any financial instruments for hedging purposes and no foreign currency net investments are hedged by currency borrowings or other hedging instruments during the Period.

## **Contingent Liabilities**

As at 30 June 2024, the Group did not have any material contingent liabilities (as at 31 December 2023: Nil).

## **Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Joint Ventures and Associates**

During the Period, the Group did not hold any significant investment or significant securities investment as part of its asset portfolio, and had no material acquisition or disposal of subsidiaries, joint ventures and associates. As at the date of this report, the Company does not have any future plans for material investments or capital assets.

## **Events after the Period**

Details of material events affecting the Group after 30 June 2024 are set out in note 21 of the notes to the unaudited interim condensed consolidated financial information to this report.

## **Employees and Emolument Policy**

As at 30 June 2024, the Group employed a total of 20,883 full-time employees (as at 30 June 2023: 19,795 full-time employees). During the Period, total staff costs, including Directors' emoluments and share-based payments, of the Group were approximately RMB1,947.34 million (corresponding period of the previous year: approximately RMB1,699.87 million). The Group reviewed the remuneration policies and packages on a regular basis and made necessary adjustment that to commensurate with the remuneration level in the industry. In addition to a basic monthly salary, year-end bonuses were offered to staff with outstanding performance. Restricted share incentive schemes were adopted to attract and retain eligible employees to contribute to the Group. The Group has established an online learning platform and provided various training courses to help employees enhance their work skills and competence and to accelerate their growth and development.

The aforementioned remuneration philosophy is applicable to the Directors. Apart from benchmarking against the market, the Company reviewed individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director.

# MANAGEMENT DISCUSSION AND ANALYSIS

## KEY RISK FACTORS AND UNCERTAINTIES

The property market in the PRC is affected by a number of factors, such as changes in social, political, economic and legal environment and the government's undertakings of fiscal, economic, monetary, industrial and environmental policies. Changes in macro-economic conditions, consumer confidence, consumption spending and consumption preferences may also affect the Group's business. As such, the Group, taking into account the market situations, implements differentiated investment and marketing strategies and nurtures a number of projects across different regional markets so as to reduce reliance on individual markets. The Group's operation is exposed to a variety of idiosyncratic risks in property development, property investment and property related businesses. Default by buyers and partners, manual and systematic negligence or mistake in internal processes and other external factors may have impact on operation. In addition to the aforesaid factors, other risk factors and uncertainties may also exist.

## OUTLOOK AND PROSPECT

In view of the profound industry transformation, the Group will return to its original aspiration in the real estate industry and unwaveringly persist in its strategic goals to steadfastly pursue stable and sustainable development:

### I. **Insisting on strategic focus and regional deep cultivation to improve inventory liquidity**

In terms of expansion for investment opportunities, liquidity is our first priority. Our investments are made on the basis of prime consideration of the turnover period and price risk, with a preference for projects with shorter investment return cycles to enhance inventory liquidity. We adopt a sales-driven investment strategy, making prudent investments to ensure that the Group's total inventory remains reasonable, and prevent inventory fluctuations due to market changes.

Insisting on strategic focus and deep regional cultivation, the Group places emphasis on in-depth urban development to build brand equity and establish market trust with customers. By leveraging high-quality cooperative resources, the Group will enhance its operational efficiency and strengthen its organisational capabilities across the entire real estate value chain, further solidifying its position in the industry.

### II. **Strengthening product research and innovation to improve product core competitiveness**

We will launch our products with greater precision based on customer needs and the characteristics of the land parcels, ensuring that product positioning, product space and functionality better meet customer requirements and expectations. By achieving precise positioning and functional adaptation, our products will have attributes that create value for customers.

In the future, the Group will focus on the research and development of new products based on operational needs, enhancing both systematic and integrated research and development to further strengthen product competitiveness. At the same time, the Group will further refine its innovation and collaboration mechanisms to collectively advance the orderly research and development and implementation of innovative products, ensuring the Group's leadership in product quality and innovation, as well as consistency in implementation. This will captivate our customers with high-quality products and services.

# MANAGEMENT DISCUSSION AND ANALYSIS

### III. Adhering to synergistic development and resource integration to establish an ecosystem across the entire industry chain

Currently, with the gradually improved industry chain covering property management, construction management, entrusted construction services and commercial property management, the Group possesses service capabilities and business opportunities across the entire industry chain.

In the future, on top of real estate development, the Group will develop and nurture upstream and downstream industry chains by integrating resources across the entire industry chain and enhancing synergy in the main business to seek new development opportunities for the industry chain. Meanwhile, the Group will integrate its traditional business with new technologies and intelligent systems, continuously iterative calculation upgrades. By focusing more on value in the business chain, the Group will integrate resources to vigorously promote synergy and establish an industry chain ecosystem.

Looking ahead, given the accelerated shaping of a new development model for real estate, coupled with on-going optimisation of policies for the supply and demand sides, risks associated with industry adjustments may gradually dissipate, leading to market stabilisation and a new equilibrium. The Group will adapt to changes, act accordingly, and apply the right business logic for value orientation, striving to achieve healthy and sustainable development.

## ADDITIONAL DISCLOSURES

### Registration of lease agreements in the PRC

As disclosed in the prospectus of the Company dated 30 November 2012 (the "Prospectus"), some lease agreements in respect of certain investment properties in the PRC held or leased by the Group, which are required to be registered under the PRC laws, were not registered or registrable.

As at 30 June 2024, 76 lease agreements remained pending to be registered due to the fact that the merchants shall bring their ID cards and go to the competent Real Estate Bureau together with relevant staff of the Group to complete the registration. However, the merchants did not actively assist the Company in completing such registration.

The Company will keep monitoring the registration status of these lease agreements with the aim of completing their registration as early as practicable.

### Property ownership certificate of Wan Guo Plaza\* (萬國廣場) (formerly named as Yu Feng High Street\* (裕豐高街))

As disclosed in the Prospectus, following the refurbishment and renovation of Wan Guo Plaza\* (萬國廣場), the property ownership certificate of the refurbished Wan Guo Plaza was issued on 11 May 2012 which covered a GFA of 7,484 sq.m. It was later transpired that there was a shortfall in GFA of approximately 770 sq.m., which was not covered under the property ownership certificate. The Group has delegated a senior management staff to keep liaising with the relevant PRC authorities and following up on the application procedure for a new property ownership certificate of Wan Guo Plaza.

As at 30 June 2024, the application process for the new property ownership certificate was still ongoing. Given that the application for a new property ownership certificate under the above special circumstance is not one which is usually taken out before the relevant PRC authorities, the Group expects that the processing time would be longer than normally required. There was no indication from the PRC authorities as to how long such process would take. The Group will maintain its communication with the relevant PRC authorities closely so as to obtain the up-to-date status of the application progress until the new property ownership certificate covering the abovementioned shortfall in GFA is issued.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

#### Long position in the shares of the Company

Name of Directors	Capacity/Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Ms. Zhao Chengmin	Founder of a discretionary trust	32,000,340 (Note 2)	1.69%
	Beneficiary of a trust (other than a discretionary interest)	998,000 (Note 3)	0.05%
Mr. Lin Weiguo	Interest of controlled corporation	32,000,340 (Note 2)	1.69%
	Beneficiary of a trust (other than a discretionary interest)	924,000 (Note 3)	0.05%
Mr. Tian Meitan	Beneficiary of a trust	328,867 (Note 2)	0.02%
	Beneficiary of a trust (other than a discretionary interest)	848,000 (Note 3)	0.04%
Mr. Xu Yixuan	Interest of controlled corporation	32,000,340 (Note 2)	1.69%
	Beneficiary of a trust (other than a discretionary interest)	848,000 (Note 3)	0.04%
	Interest of spouse	425,000	0.02%



## OTHER INFORMATION

### Notes:

- 1 The percentage of shareholding was calculated based on the Company's 1,895,684,126 ordinary shares in issue as at 30 June 2024.
- 2 These Shares were registered in the name of Diamond Firetail Limited ("Diamond Firetail"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tricor Equity Trustee Limited ("Tricor Equity Trustee"). Tricor Equity Trustee is a trustee of a discretionary trust, while Ms. Zhao Chengmin is one of the founders of the said discretionary trust, each of Mr. Lin Weiguo and Mr. Xu Yixuan is one of the protectors of the said discretionary trust, and Mr. Tian Meitan is one of the beneficiaries of the said discretionary trust. Therefore, Ms. Zhao Chengmin, Mr. Lin Weiguo and Mr. Xu Yixuan are deemed to be interested in the Shares held by Diamond Firetail by virtue of the SFO. As a beneficiary of the trust, Mr. Tian Meitan is deemed to be beneficially interested in the portion of the Shares held by Diamond Firetail corresponding to his beneficial interest.
- 3 35,300,000 Shares were allotted and issued to the trustee of the 2021 restricted share incentive scheme (the "2021 Incentive Scheme"), who held the Shares on behalf of the incentive recipients of the Incentive Scheme. Being the incentive recipients of the 2021 Incentive Scheme, each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Xu Yixuan, and Mr. Tian Meitan is interested in 198,000 Shares, 174,000 Shares, 168,000 Shares, and 168,000 Shares held on trust by the trustee under the 2021 Incentive Scheme, respectively, which are subject to vesting. 100,000,000 Shares were allotted and issued to the trustee of the 2022 restricted share incentive scheme (the "2022 Incentive Scheme"), who held the Shares on behalf of the incentive recipients of the 2022 Incentive Scheme. Being the incentive recipients of the 2022 Incentive Scheme, each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Xu Yixuan, and Mr. Tian Meitan is interested in 650,000 Shares, 600,000 Shares, 530,000 Shares, and 530,000 Shares held on trust by the trustee under the 2022 Incentive Scheme, respectively, which are subject to vesting. 49,870,000 Shares were allotted and issued to the trustee under the 2023 restricted share incentive scheme (the "2023 Incentive Scheme"), who held the Shares on behalf of the incentive recipients of the 2023 Incentive Scheme. Being the incentive recipients of the 2023 Incentive Scheme, each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Xu Yixuan and Mr. Tian Meitan is interested in 150,000 Shares, 150,000 Shares, 150,000 Shares and 150,000 Shares held on trust by the trustee under the 2023 Incentive Scheme, respectively, which are subject to vesting.

## OTHER INFORMATION

### Long positions in the shares of the Company's associated corporation

Name of Directors	Name of our associated corporation	Capacity/ Nature of interest	Number of issued shares/ underlying shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Ms. Zhao Chengmin	C&D Property	Founder of a discretionary trust	49,718,090 (Note 2)	3.53%
Mr. Lin Weiguo	C&D Property	Interest of controlled corporation	49,718,090 (Note 2)	3.53%
Mr. Tian Meitan	C&D Property	Beneficiary of a trust	510,953 (Note 2)	0.04%
Mr. Xu Yixuan	C&D Property	Interest of controlled corporation	49,718,090 (Note 2)	3.53%

#### Notes:

1. The percentage of shareholding was calculated based on C&D Property's 1,408,264,016 ordinary shares in issue as at 30 June 2024.
2. These ordinary shares of C&D Property were registered in the name of Diamond Firetail, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tricor Equity Trustee. Tricor Equity Trustee is a trustee of a discretionary trust, while Ms. Zhao Chengmin is one of the founders of the said discretionary trust, each of Mr. Lin Weiguo and Mr. Xu Yixuan is one of the protectors of the said discretionary trust, and Mr. Tian Meitan is one of the beneficiaries of the said discretionary trust. Therefore, Ms. Zhao Chengmin, Mr. Lin Weiguo and Mr. Xu Yixuan are deemed to be interested in the ordinary shares of C&D Property held by Diamond Firetail by virtue of the SFO. As a beneficiary of the trust, Mr. Tian Meitan is deemed to be beneficially interested in the portion of the ordinary shares of C&D Property held by Diamond Firetail corresponding to his beneficial interest.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had any interest or short position 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 (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as it was known to any Directors or the chief executive of the Company, the following parties (other than a Director or the chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued Shares and underlying Shares:

Name of substantial Shareholders	Capacity/ Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Well Land	Beneficial owner	1,046,812,743	55.22%
Well Honour International Limited (益鴻國際有限公司) ("Well Honour")	Interest of controlled corporation	1,046,812,743 (Note 2)	55.22%
C&D Real Estate	Interest of controlled corporation	1,046,812,743 (Note 2)	55.22%
Xiamen C&D Inc. (廈門建發股份有限公司)	Interest of controlled corporation	1,046,812,743 (Note 2)	55.22%
Xiamen C&D	Interest of controlled corporation	1,046,812,743 (Note 2)	55.22%
BOCI Trustee (Hong Kong) Limited	Trustee	157,415,000 (Note 3)	8.30%
OceanLink Partners Fund, LP	Beneficial owner	135,117,126	7.13%
Mr. Richard Li	Interest of controlled corporation	198,377,701 (Note 4)	10.46%
OLP Capital Management Limited	Investment manager	198,377,701 (Note 4)	10.46%
RCWL Inc.	Interest of controlled corporation	198,377,701 (Note 4)	10.46%
Mr. Shen Di Fan	Interest of controlled corporation	198,377,701 (Note 4)	10.46%

#### Notes:

- The percentage of shareholding was calculated based on the Company's total number of 1,895,684,126 shares in issue as at 30 June 2024.
- Well Land is a wholly-owned subsidiary of Well Honour. Well Honour is a wholly-owned subsidiary of C&D Real Estate. C&D Real Estate is owned as to 54.65% and 45.35% by Xiamen C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D, a state-owned group of companies under the supervision of Xiamen State-owned Assets Supervision and Admission Commission of Xiamen Municipal People's Government, respectively. Xiamen C&D is interested in Xiamen C&D Inc. as to 45.16%. Therefore, Well Honour, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D are deemed to be interested in the Shares held by Well Land by virtue of the SFO.
- BOCI Trustee (Hong Kong) Limited ("**BOCI Trustee**") is the trustee under the 2021 Incentive Scheme, the 2022 Incentive Scheme and the 2023 Incentive Scheme holding the relevant Shares on behalf of the incentive recipients under the said incentive schemes. Therefore, BOCI Trustee is deemed to be interested in the Shares held on behalf of the incentive recipients under the said incentive schemes.
- OceanLink Partners Fund, LP and Cassini Partners, L.P. are interested in 135,117,126 and 63,260,575 Shares, respectively. OLP Capital Management Limited is the investment manager of OceanLink Partners Fund, LP and Cassini Partners, L.P.. OLP Capital Management Limited is owned by Mr. Shen Di Fan and RCWL Inc. as to 65% and 35%, respectively. RCWL Inc. is a company wholly owned by Mr. Richard Li. Therefore, each of Mr. Shen Di Fan, Mr. Richard Li, RCWL Inc., and OLP Capital Management Limited is deemed to be interested in the Shares held by OceanLink Partners Fund, LP and Cassini Partners, L.P..

## OTHER INFORMATION

### RESTRICTED SHARE INCENTIVE SCHEME

For the purpose of establishing and improving the Company's medium to long-term incentive mechanism to collectively integrate interests of the Shareholders, the Company and the Company's core team, fully motivate the management and core staff of the Company and achieve high-quality development of the Company, 35,300,000 restricted Shares were allotted and issued on 29 June 2021 in accordance with the 2021 Incentive Scheme, 100,000,000 restricted Shares were allotted and issued on 29 December 2022 in accordance with the 2022 Incentive Scheme, and 49,870,000 restricted Shares were allotted and issued on 28 December 2023 in accordance with the 2023 Incentive Scheme. As of 1 January 2024 and 30 June 2024, all Shares under the scheme mandate of the 2021 Incentive Scheme, the 2022 Incentive Scheme and the 2023 Incentive Scheme have been fully granted, and the Company currently has no plans or arrangements to further grant any options or awards to employees.

During the Period, details of the changes of restricted Shares are as follows:

Name of the incentive recipient	Position within the Group	Number of restricted Shares unvested as at 1 January 2024	Grant Price (i.e. Subscription price paid by the incentive recipient)	Vested during the Period	Cancelled during the Period	Lapsed during the Period (Note 4)	Number of restricted Shares unvested as at 30 June 2024	Date of Grant and Vesting Period
Ms. Zhao Chengmin	Chairperson	198,000	HK\$7.22 per Share	0	0	0	198,000	Note 1
	and Executive	650,000	HK\$7.01 per Share	0	0	0	650,000	Note 2
	Director	150,000	HK\$8.80 per Share	0	0	0	150,000	Note 3
Sub-total of Ms. Zhao Chengmin		998,000		0	0	0	998,000	
Mr. Lin Weiguo	Executive Director	174,000	HK\$7.22 per Share	0	0	0	174,000	Note 1
	and chief executive officer	600,000	HK\$7.01 per Share	0	0	0	600,000	Note 2
		150,000	HK\$8.80 per Share	0	0	0	150,000	Note 3
Sub-total of Mr. Lin Weiguo		924,000		0	0	0	924,000	
Mr. Tian Meitan	Executive Director	168,000	HK\$7.22 per Share	0	0	0	168,000	Note 1
		530,000	HK\$7.01 per Share	0	0	0	530,000	Note 2
		150,000	HK\$8.80 per Share	0	0	0	150,000	Note 3
Sub-total of Mr. Tian Meitan		848,000					848,000	
Mr. Xu Yixuan	Executive Director	168,000	HK\$7.22 per Share	0	0	0	168,000	Note 1
		530,000	HK\$7.01 per Share	0	0	0	530,000	Note 2
		150,000	HK\$8.80 per Share	0	0	0	150,000	Note 3
Sub-total of Mr. Xu Yixuan		848,000		0	0	0	848,000	
Sub-total of Directors		3,618,000		0	0	0	3,618,000	
Other employees of the Group		19,578,000	HK\$7.22 per Share	0	0	90,000	19,488,000	Note 1
		96,130,000	HK\$7.01 per Share	0	0	850,000	95,280,000	Note 2
		49,270,000	HK\$8.80 per Share	0	0	230,000	49,040,000	Note 3
Sub-total of other employees of the Group		164,978,000		0	0	1,170,000	163,808,000	
Total		168,596,000		0	0	1,170,000	167,426,000	

## OTHER INFORMATION

Note:

1. Restricted Shares granted on 29 June 2021 under the 2021 Incentive Scheme, which is also the date of issuance of such restricted Shares, will be vested in three tranches with lock-up periods of 24 months, 36 months and 48 months from the issue date of the restricted Shares, and 40%, 30% and 30% of the restricted Shares will be released and vested in each tranche, respectively, subject to the fulfillment of the conditions (including the performance target of the Company and individual performance evaluation of the incentive recipients) pursuant to the terms of the 2021 Incentive Scheme. No additional exercise price shall be paid by the incentive recipients if the restricted Shares are released and vested.
2. Restricted Shares granted on 29 December 2022 under the 2022 Incentive Scheme, which is also the date of issuance of such restricted Shares, will be vested in three tranches with lock-up periods of 24 months, 36 months and 48 months from the issue date of the restricted Shares, and 40%, 30% and 30% of the restricted Shares will be released and vested in each tranche, respectively, subject to the fulfillment of the conditions (including the performance target of the Company and individual performance evaluation of the incentive recipients) pursuant to the terms of the 2022 Incentive Scheme. No additional exercise price shall be paid by the incentive recipients if the restricted Shares are released and vested.
3. Restricted Shares granted on 28 December 2023 under the 2023 Incentive Scheme, which is also the date of issuance of such restricted Shares, will be vested in three tranches with lock-up periods of 24 months, 36 months and 48 months from the issue date of the restricted Shares, and 40%, 30% and 30% of the restricted Shares will be released and vested in each tranche, respectively, subject to the fulfillment of the conditions (including the performance target of the Company and individual performance evaluation of the incentive recipients) pursuant to the terms of the 2023 Incentive Scheme. No additional exercise price shall be paid by the incentive recipients if the restricted Shares are released and vested.
4. During the Period, a total of 1,170,000 restricted Shares lapsed due to the resignation or retirement of incentive recipients.

During the Period, the Company did not adopt any new share scheme or grant any options or awards under any share scheme.

### CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

With effect from 29 April 2024, (i) Mr. Peng Yong has resigned from his position as an executive Director; and (ii) Mr. Xu Yixuan has been appointed as an executive Director. Please refer to the Company's announcements dated 29 April 2024 for details of the change of executive Director.

With effect from 27 May 2024, Mr. Xu Yixuan has been appointed as a director of C&D Holsin Engineering Consulting Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603909).

With effect from 19 August 2024, Mr. Huang Wenzhou ceased to be the vice-chairman of Xiamen C&D Inc. ("C&D Inc."), a company listed on the Shanghai Stock Exchange (stock code: 600153) and has remained as a director of C&D Inc.

With effect from 19 August 2024, Mr. Zheng Yongda ceased to be the chairman of C&D Inc. and has been appointed as the vice-chairman of C&D Inc. on the same day.

Mr. Chan Chun Yee acquired qualification as solicitor of China Greater Bay Area in 2023 and solicitor of England and Wales in May 2024 and has been a solicitor of Shanghai Digtech (Shenzhen) Law Firm since 2023.

Save as disclosed above, since the date of the Company's annual report for the year ended 31 December 2023 (the "Annual Report"), no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **OTHER INFORMATION**

### **RETIREMENT BENEFIT SCHEMES/PENSION SCHEME**

Retirement benefits to employees are provided through defined contribution plans.

The retirement benefits costs charged in the income statement represent the contributions payable in respect of the Period to the retirement benefit schemes managed by respective local social security bureau in accordance with government regulations in different jurisdictions.

### **OTHER INFORMATION**

#### **No material changes**

Save as disclosed in this report, there have been no material changes in respect of matters relating to the business developments, financial position and future prospects, and important events affecting the Group since the publication of the Annual Report that needs to be disclosed pursuant to paragraphs 32, 40(2) and 46(3) of Appendix D2 to the Listing Rules.

#### **Purchase, Sale or Redemption of the Company's listed securities**

There were no purchases, sales or redemption of the Company's listed securities (including the sale of treasury shares) by the Company or any of its subsidiaries during the Period.

#### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules for dealings in securities of the Company by its Directors. The Company has made specific enquiries to all Directors and each of them confirmed that they have complied with the Model Code during the Period.

#### **Interim Dividend**

The Board has resolved not to declare an interim dividend for the Period (corresponding period of the previous year: nil).

#### **Corporate Governance**

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company had complied with all applicable principles and code provisions as set out in Part 2 of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules during the Period.

## OTHER INFORMATION

### Review of Results by Audit Committee

The Board has established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee are to assist the Board to review financial information and reporting process, risk management and internal control system, effectiveness of internal audit function, scope of audit and appointment of external auditors, and arrangements for complaints from employees of the Company on potential misconducts in financial reporting, internal control or any other issues of the Company. The audit committee consists of all the independent non-executive Directors, namely, Mr. Wong Chi Wai (committee chairman), Mr. Wong Tat Yan, Paul, Mr. Chan Chun Yee and Mr. Dai Yiyi.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the Period and is of the opinion that such statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

### APPRECIATION

The Group would like to take this opportunity to express its sincere gratitude to the Shareholders for their continuing support and its appreciation to all staff members for the dedication and loyalty to the Group.

By order of the Board  
**C&D International Investment Group Limited**  
**Zhao Chengmin**  
*Chairperson and executive Director*

Hong Kong, 22 August 2024

*This report is prepared in both English and Chinese. In the event of inconsistency, the English text of the report shall prevail over the Chinese text.*

\* *Denotes English translation of the name of a Chinese company, entity and place and is provided for identification purpose only.*