



中海物業集團有限公司

CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2669

我們經營幸福
We Manage Happiness

2024 中期報告 INTERIM REPORT



好時節
好物業
好社區

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Corporate Information

(As at 27 August 2024, date of this Interim Report)

BOARD OF DIRECTORS

Executive Directors

Zhang Guiqing (*Chairman*)
Xiao Junqiang (*Chief Executive Officer*)
Pang Jinying (*Vice President*)
Kam Yuk Fai (*Chief Financial Officer*)

Non-executive Directors

Ma Fujun
Guo Lei

Independent Non-executive Directors

Yung, Wing Ki Samuel
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

COMMITTEES

Audit Committee

Yung, Wing Ki Samuel (*Chairman*)
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

Nomination Committee

Zhang Guiqing (*Chairman*)
Yung, Wing Ki Samuel
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

Remuneration Committee

So, Gregory Kam Leung (*Chairman*)
Zhang Guiqing
Yung, Wing Ki Samuel
Lim, Wan Fung Bernard Vincent

Sustainability Steering Committee

Lim, Wan Fung Bernard Vincent (*Chairman*)
Zhang Guiqing
Xiao Junqiang
Yung, Wing Ki Samuel
So, Gregory Kam Leung

AUTHORIZED REPRESENTATIVES

Zhang Guiqing
Xiao Junqiang
Pang Jinying (*alternate to Zhang Guiqing*)
Kam Yuk Fai (*alternate to Xiao Junqiang*)

COMPANY SECRETARY

Wong Yee Wah

INDEPENDENT AUDITOR

Ernst & Young
*Certified Public Accountants and
Registered PIE Auditor*

REGISTERED OFFICE

Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman KY1-1111,
Cayman Islands

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BRANCH OFFICE IN HONG KONG

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No.138 Lockhart Road, Wanchai,
Hong Kong
Telephone: (852) 2823 7088
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Corporate Information *(continued)*

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman KY1-1111,
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 ADVISORS

As to Hong Kong laws

Woo Kwan Lee & Lo

As to Cayman Islands laws

Conyers Dill & Pearman

PRINCIPAL BANKERS

(In Alphabetical Order)

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd.,
Hong Kong Branch

China Construction Bank Corporation

China Merchants Bank Co., Ltd.

The Hongkong and Shanghai Banking
Corporation Limited

INVESTOR AND PUBLIC RELATIONS

Corporate Communications Department
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STOCK CODE

The Stock Exchange of Hong Kong*	2669
Bloomberg Reuters	2669:HK 2669.HK

* *Currently one of the eligible securities for Southbound Trading under the Shenzhen – Hong Kong Stock Connect*

COMPANY WEBSITE

www.copl.com.hk

FINANCIAL CALENDAR 2024

Interim Results Announcement	27 August
Interim Dividend Ex-dividend Date	27 September
Closure of Register of Members	2 October to 4 October (both days inclusive)
Interim Dividend Entitlement Record Date	4 October
Interim Dividend Payment Date	21 October

Chairman's Statement

I am pleased to announce the unaudited interim results of China Overseas Property Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group" or "COPL") for the six months ended 30 June 2024. The turnover of the Group for the past six months amounted to RMB6,838.4 million, representing an increase of 9.0% compared to the turnover of RMB6,274.8 million* for the corresponding period last year. Operating profit for the period rose by 15.4% to RMB995.4 million compared to the corresponding period last year (2023: RMB862.8 million*). The profit attributable to ordinary equity holders of the Company increased by 16.0% to RMB737.5 million (2023: RMB636.0 million*). Basic and diluted earnings per share was RMB22.45 cents (equivalent to approximately HK24.51 cents) (2023: RMB19.35 cents* (equivalent to approximately HK22.09 cents)). Average return on equity was 33.8% (2023: 37.6%*). After taking into account the Group's dividend policy, capital market expectations, interim business results and future business development needs, the Board declared an interim dividend of HK8.5 cents (2023: HK5.5 cents) per share for the six months ended 30 June 2024, representing an increase of HK3.0 cents or 54.5% as compared to the corresponding period last year.

* *Restated upon adopting Renminbi as the presentation currency of the Group's financial statements since the 2023's annual results.*



Chairman's Statement *(continued)*

In the first half of 2024, the global environment has become even more complicated. Intensifying geopolitical conflicts, emergence of neo-protectionism, by means of excessive tariffs and implementation of unreasonable non-tariff barriers in both the production and supply sides have significantly affected the principles of free trades driven by market supply and demand. With continued consumer price inflation, high interest rate monetary policy dampened investor sentiment and affected demand. Facing with exceptional challenges, China insisted on its stable progress towards Chinese modernisation and further implemented deepened reforms. Notwithstanding that, the issue of inadequate effective demand in the short-term is apparent, and the foundation for economy recovery requires further reinforcement. The real estate market has still undergone a period of adjustment and transformation, taking its time to adapt to the new environment with significant changes in the supply and demand relationship. Meanwhile, the property management industry ceased its previous rapid expansion. Large property management enterprises no longer blindly pursue scale expansion, but instead return to the basics and focus on the refining, deepening and improving its service quality. Whilst maintaining stable cash flow and progressive business development, they will move forward in a new stance and enter a new era of high quality and steady development. The Group believes that as China is committed to “pursuing progress while ensuring stability, promoting stability through progress, and establishing the new growth drivers before abolishing the old ones”, and effectively implements the macro policies established in the Third Plenary Session, it will be beneficial to the stable growth of production, continuous reviving of demand and gradual increase of personal income. High-quality development will lead the whole country to achieve a new stage of progress and help accelerating the growth of new momentum and new advantages.

Chairman's Statement *(continued)*

2024 is an important milestone for fulfilling the “14th Five-Year Strategic Plan” of the Group. As a top property management enterprise, COPL leveraged its resource endowment, brand advantages, economics of scale and long-term accumulated operating strengths, to reinforce its leading position. It will spearhead the demonstration of pursuing a synergistic balance of being “service-minded, result-oriented and scalability-based”, and determine to promote “The China Overseas Proprietary Methodology in the Modernisation of Property Management” (“COPMPM”) to consolidate the foundation of high-quality development and market orientation, and sets quadruple roles with serving a better life as the core objective. Firstly, as an explorer for city services, we combine various property management portfolios that are managed separately into an integrated service capability. Secondly, as a promotor for the development of the entire industry chain, we actively consolidate internal and external resources. Thirdly, as a guardian who safeguards a better living, we advocate renovations of old community buildings and supporting facilities, improve urban micro-space and stimulate residents’ public service consumption. Fourthly, as a developer of co-construction, co-governance and co-usage, we build a community ecology with owners and a project commitment charter with suppliers. Entering into a new phase of industry development, the service targets of property management enterprises have been extended from small communities or neighbourhoods (being the basic units of urban construction) to large cities formed by countless basic units. We will vigorously develop the integrated operation of urban space, and co-exist with the logic of urban system. We will strive to become not only the manager of urban buildings, but also the operator of urban basic services and a dedicated participant in upgrading urban services, with a view to promoting the unity of the three dynamics: the grassroots governance of the government, the management of owners’ rights and interests, and the commercial behavior of enterprises.



Chairman's Statement *(continued)*

With the corporate mission of “We Manage Happiness”, COPL adheres to the performance pledge of “Property Assets to be Entrusted” and establishes “COPMPM” as our medium to long-term targets, in order to create new service capabilities within the industry and endeavour to become an integrated service operator of urban space. We put forward our brand proposition of “Good Seasons, Good Property, Good Community” (collectively, the “Three-Good”). “Good Seasons” reflects our property management capability in that we can, through quality products and services, provide customers with a pleasant living environment where they can live and work in contentment; “Good Property” reflects our customer service capability in that we can respond efficiently, predict demands and establish deep and long-term relationships with our property owners, customers, employees, partners and the government; “Good Community” reflects a sense of ownership that allows property owners, the property enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of “Everyone Owns and Takes Responsibilities”. The “Three-Good” depicts a visionary prospect of “COPMPM”, which addresses the concerns of the customers, to whom we realise our promise on value, the industry, to whom we project our strategies outward, and the society, to whom we fulfil our responsibility as a corporate citizen.



Chairman's Statement *(continued)*

With "Property Management Portfolio" as our cornerstone, the Group continued to cultivate the quality and efficiency of basic services in the residential, non-residential and city service segments based on property management contracts, and continuously improve the quality of project performance in order to enhance customer satisfaction. Meanwhile, we provide diversified urban living services (including convenient community canteens, customised family banquets, door-to-door courier delivery, in-home elderly value-added services, health consultation, haircuts, maintenance and cleaning, printing, supermarkets, pet care, leisure and entertainment facilities and activities, cultural guided tours, etc.) to shorten the distance to the residents and show the humane care and services of the property, so as to increase customer loyalty and enhanced fertile soil of our value-added services. Extending our business from our "Ecology", we innovated and developed in the fields of residential value-added services, non-residential value-added services and technology to increase the output value per unit area. All businesses complement and integrate with each other to create the unique COPL business logic of "One Trunk with Multiple Branches, Synergy of Various Businesses" through deepening vertical integration, so as to achieve value preservation and increment of our project buildings under management.

In order to ensure long-term sustainable operation, the Group has always been committed to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" and the sincere attitude of "Serving Whole-Heartedly Every Single Day". We have been endeavoring along the road to the standardisation, refinement and differentiated customisation of property management services. Our confidence in achieving sustainable and steady growth in the long run mainly stems from the promising prospect of urbanisation in China, which has driven the property management industry to a new phase of development and ensured industrial growth and stability. On the road to continuous development, with the gradual recognition of the value of the Group's quality services in the market, our market expansion and service product development capabilities have been enhanced significantly. In the first half of 2024, the Group had a presence in a total of 168 cities, covering Hong Kong and Macau, and a current workforce of approximately 40,178 employees, with 2,118 property management projects with a service area of nearly 422.7 million square meters and 403 pre-sales sites projects under management. We continued to diversify our property management portfolio, expand the coverage of non-residential areas, and further diversify our product



Chairman's Statement *(continued)*

portfolio consisting of commercial complexes, offices, shopping centers, hotels, industrial parks, logistic parks, aviation, high-speed rail, hospitals, schools, government properties, urban services, parks, ports, roads and bridges, bus terminuses and other public facilities. We secured new contracts of Beijing Hengyi Tower (北京恒毅大廈), Beijing Tian Yuan Xiang Tai Building (北京天圓祥泰大廈), Xi'an China Coal Shaanxi Energy Chemical Industrial Park (西安中煤陝西能源化工園區), Huai'an China Mobile Online Industrial Park (淮安中移在線產業園), Xi'an GLP I-Park (西安環普科技產業園), Environmental Hygiene and Janitorial Service Project from the Residential District Office of Shekou, Nanshan, Shenzhen (深圳南山區蛇口街道辦事處區域環衛清掃保潔服務項目), Urban Management and Daily Maintenance Project from Jinan Jizhong Urban Development (濟南濟中城發城管領域日常維管項目), school property management projects (such as Shenzhen Longhua Public School (深圳龍華區下屬公辦學校), Guangdong Zhanjiang Boya School (廣東湛江博雅學校), Inner Mongolia University of Finance and Economics (內蒙古財經大學), Hohhot Minzu College (呼和浩特民族學院), etc.), Nantong Hai'an People's Hospital (南通海安人民醫院) and other projects. In Hong Kong and Macau regions, we successively won the tenders for property management of Hong Kong Housing Authority Headquarter Office Building, governmental elderly apartment in Macau, Mercado Municipal do Bairro lao Hon and other projects, while also provide property and facility management services for the Justice Place and the Former French Mission Building. We also began trial runs of intelligent cleaning robot, "Xiao Qing" (小清), and patrol robot, "Xiao Bao" (小保), to serve Hong Kong public housing estates, integrating technology into humanistic elements. Our property management services are extended to over 60% of the hospital projects under the clusters of the Hospital Authority and the headquarters building of Hospital Authority. Currently, our government management projects cover 3 offices, 12 bureaux and 22 executive departments. We remained the largest provider of property management services in Hong Kong and the leading Chinese property management services corporation in Hong Kong and Macau regions with the No.1 ranking in market share of property management in Hong Kong.

Chairman's Statement *(continued)*

The Group follows the objective of “One Benchmark in Each City with Diversified Benchmarking” and continue to develop high-quality benchmark projects to maintain our customer satisfaction at industry-leading levels. We improve our property service levels from communities to cities, demonstrating COPL's leading management model, excellent product and service capabilities, continuous innovation and urban competitiveness. COPL's benchmarking projects have covered 41 cities across the country, with a total of 53 projects inspected and evaluated, involving five major sectors. We integrate the concepts of innovation leading, outstanding quality, co-construction and co-use, green and low-carbon and sustainable development into the entire process of project operation. These benchmarking projects serve as the model carrier for the comprehensive implementation of COPL's project management model and business reform, which will actively deepen the impact of benchmarking projects (including Peking Union Medical College Hospital (北京協和醫院), Renmin University of China (中國人民大學) and Zhangjiakou Economic Development Zone (張家口市經濟開發區) in the local property industry through integration with standardised construction, giving full play to the role of innovation, leadership and demonstration. Meanwhile, we continue to promote and extend full life cycle services in property development. We provide property developers with whole-process property consultation and management services, including product positioning consultation, gardening, interior fine furnishing, vetting of building plans, equipment and facility selection advice, decoration supplies sales agency, pre-delivery marketing value-added services, sales of residual flats, contracting of basic positions, carefree property service products with perfect delivery support services, delivery inspection services and quality control of engineering services, etc. These mark a significant improvement of capabilities in the integration of our upstream and downstream supply chain.



Chairman's Statement *(continued)*

Currently, the Group serves over 100 corporate customers which are the world's top 500 companies and becomes the most reliable business partner of central enterprises, state-owned enterprises and private enterprises. We have been highly acclaimed by all sectors of society. We were named as "2024 No.1 Leading Enterprises of Property Management Listed Companies for High-Quality Development", "2024 China No.1 Property Service Satisfaction Leading Companies", "2024 China Top 3 Property Services Companies", "2024 China Top 3 Listed Property Services Companies in terms of Comprehensive Strength", "2024 China Top 20 Listed Property Management Companies Top 4", "2024 China Outstanding Listed Property Services Companies with Investment Value – No.1" and "2024 Top 3 Listed Property Management Leading Companies in terms of Market Capitalisation". Meanwhile, the Group was also included as a constituent in Morgan Stanley Capital International Index (MSCI) Global Small Cap Index (China) and continued to be admitted in the Hong Kong Stock Connect list under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Exchange, as well as Hang Seng Property Service and Management Index, receiving high recognition from the capital market.

With the Group's outstanding performance in environment, society and governance, we were awarded the "2024 No. 1 China ESG and Sustainable Development Leading Property Companies", "2024 No. 1 China Low-carbon Operation Leading Property Companies", "2024 China Outstanding Property Services Companies in terms of ESG Development – No. 1", "Hong Kong Listed Companies ESG Value Award" and "ESG Corporate Communication Award". COPL has always upheld the sustainable development philosophy of "Integrity in Business, Green Orientation, Talent Focus and Sincere Service". We reviewed and identified existing material topics and increased the weighting of areas like climate change, greenhouse gas emissions management, energy management, employee attraction and retention, information security and privacy protection and intellectual property rights, creating an important symbol as an excellent enterprise and actively fulfilling our responsibilities as a central enterprise.



Chairman's Statement *(continued)*

Since 1 February 2024, the Guidance Catalogue for Industrial Structure Adjustment (2024) (《產業結構調整指導目錄(2024年本)》) issued by the National Development and Reform Commission was officially implemented. The catalogue clarified the business classification and content of property services, reclassifying it from “Encouraged Other Service Industry” to “Encouraged Commercial Service Industry”, with specific description as: (1) residential property management; (2) non-residential property management, which demonstrates the country's increased emphasis on the property management industry and its strong support for diversified and comprehensive property services. Looking ahead, the Group will endeavor along the road with the attitude of “Leading the Trend” amidst the fierce market-oriented competition to promote the transformation of traditional properties into modernised services. We will realise the “COPMPM” through the path of “Technological Innovation and Cross-Sector Cooperation”, will present the value of modernised professionalism through the “Benchmark Projects as well as Value Preservation and Enhancement”, and will demonstrate the performance of modernised management through the “Talent Team and Corporate Culture”, so as to comprehensively promote the modernised development of ecological chain cooperation, service system, IT application, brand building, talent team and basic management.

Finally, I would like to express my heartfelt gratitude to the Board and all employees for their efforts and to our business partners and shareholders for their long-term supports.

Zhang Guiqing

Chairman and Executive Director

Hong Kong, 27 August 2024



Management Discussion & Analysis

BUSINESS REVIEW

REVENUE AND OPERATING RESULTS

The Group is one of the leading property management companies in the People's Republic of China ("PRC"), with operations covering Hong Kong and Macau. The Group's management portfolio includes both residential properties and non-residential properties, such as commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, aviation, high-speed rail, hospitals, schools, government properties, city services, parks, ports, roads and bridges, bus terminus and other public facilities. Through providing high-quality and sophisticated services to the customers and maximising customer satisfaction, we strive to preserve and add value to the properties under our management and to solidify our strong brand recognition as a renowned property management service provider for mid- to high-end properties in our core stream business.

By leveraging on the Group's brand equity, acclamation and size advantage, we expand the market steadily and strive to enlarge operating scale by securing more projects from independent third parties through enriching the market components. As at 30 June 2024, the GFA under our management increased by 21.2 million sq.m. or 5.3% to 422.7 million sq.m. from 401.5 million sq.m. at the last year end, in which, 46.7% of the new projects with a contract sum of RMB920.5 million was secured from independent third parties.

The following table sets forth a breakdown of the new orders secured by the Group by source of projects during the six months ended 30 June 2024:

	New orders secured during the period		
	GFA under management		Contract sums
	million sq.m.	%	RMB million
Source of projects:			
China State Construction and China Overseas Group (<i>Note</i>)	11.3	53.3%	714.9
Independent third parties	9.9	46.7%	920.5
Total	21.2	100.0%	1,635.4

Note: "China State Construction and China Overseas Group" represented members under China State Construction Engineering Corporation and China Overseas Holdings Limited (including its subsidiaries, joint ventures and associates).

Management Discussion & Analysis *(continued)*

BUSINESS REVIEW *(continued)*

REVENUE AND OPERATING RESULTS *(continued)*

The Group promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and actively seeking new ones to achieve diversification, new GFA contributed from residential projects and non-residential projects was 65.1% and 34.9% respectively, with corresponding contract sums amounting to RMB926.5 million and RMB708.9 million respectively. These continuously strengthened our revenue base and improved our market competitive position.

The following table sets forth a breakdown of the new orders secured by the Group by project types during the six months ended 30 June 2024:

	New orders secured during the period		
	GFA under management		Contract sums
	million sq.m.	%	RMB million
Project types:			
Residential projects	13.8	65.1%	926.5
Non-residential projects	7.4	34.9%	708.9
– Commercial and office buildings	1.1	5.0%	486.1
– Public and other properties	6.3	29.9%	222.8
Total	21.2	100.0%	1,635.4

Management Discussion & Analysis *(continued)*

BUSINESS REVIEW *(continued)*

REVENUE AND OPERATING RESULTS *(continued)*

Since China's real estate market has still undergone a period of adjustment and transformation, reduced transaction volume caused a set-back to the growth of the property management industry. Facing the challenges, the Group insisted on seeking progress while maintaining stability and promoting high-quality development. During the six months ended 30 June 2024, total revenue increased by 9.0% to RMB6,838.4 million comparing with the corresponding period last year (2023: RMB6,274.8 million*), which mainly arisen from (i) the increase in GFA under our management dominated by lump-sum basis contracts under property management services and (ii) business growth on value-added services to residents, which were partly offset by the decline in value-added services to non-residents.

The following table sets forth a breakdown of the Group's revenue for the first half of 2024:

	For the six months ended 30 June					
	2024		2023		Change	
	Proportion	Revenue RMB'000	Proportion	Revenue RMB'000 (Restated)	RMB'000	%
Project management services:						
– Lump sum basis	73.8%	5,049,756	70.1%	4,395,614	654,142	14.9%
– Commission basis	1.7%	116,149	2.0%	127,313	(11,164)	(8.8)%
	75.5%	5,165,905	72.1%	4,522,927	642,978	14.2%
Value-added services:						
– Non-residents	13.3%	911,541	16.8%	1,055,992	(144,451)	(13.7)%
– Residents	10.1%	687,441	9.9%	623,148	64,293	10.3%
	23.4%	1,598,982	26.7%	1,679,140	(80,158)	(4.8)%
Car parking space trading business	1.1%	73,547	1.2%	72,744	803	1.1%
Total	100.0%	6,838,434	100.0%	6,274,811	563,623	9.0%

Management Discussion & Analysis *(continued)*

BUSINESS REVIEW *(continued)*

REVENUE AND OPERATING RESULTS *(continued)*

On the other hand, stringent cost control measures contained direct operating expenses at RMB5,690.1 million for the period (2023: RMB5,269.5 million*), mainly through material cost savings, overhead expenses reduction and increasing subcontracting efforts measures. Accordingly, gross profit margin improved to 16.8% for the period (2023: 16.0%). With gross profit increased by 14.2% to RMB1,148.3 million for the period (2023: RMB1,005.3 million*).

Other income and gains, net was RMB89.1 million for the period (2023: RMB73.8 million*), mainly representing higher interest income of RMB51.1 million from effective treasury management with higher average bank balances; tax incentives and government grants of RMB20.9 million, as well as one-off written back of over-provided liabilities and exchange gains of RMB17.1 million.

Fair value loss on self-owned investment properties for the period was RMB4.8 million (2023: fair value loss of RMB1.3 million*).



Management Discussion & Analysis *(continued)*

BUSINESS REVIEW *(continued)*

REVENUE AND OPERATING RESULTS *(continued)*

After deducting selling and administrative expenses of RMB184.4 million (2023: RMB179.5 million*) and net impairment of financial assets and contract assets of RMB52.7 million for the period (2023: RMB35.5 million*), operating profit increased by 15.4% to RMB995.4 million (2023: RMB862.8 million*). Selling and administrative expenses increased slightly by 2.8% with continuing manpower control under lean management structure. The increase in net impairment of financial assets and contract assets comparing to the corresponding period last year was mainly due to the compound effects of the following factors: (i) an increase of provision to RMB69.9 million (2023: RMB27.5 million*) on trade receivables with continuing expansion of operating scale with adoption of a more conservative impairment rate of 6.7% (At 30 June 2023: 6.0%) in accordance with the age of debts; and (ii) net reversal of impairment of payments on behalf of property owners for properties managed on a commission basis of RMB17.2 million upon recovering advances on certain projects (2023: net impairment of RMB8.0 million*).

Income tax expenses increased by 13.1% to RMB252.9 million for the period (2023: RMB223.6 million*), mainly due to increase in profit before tax charged at different applicable regional tax rates. Among that, withholding income tax provision of RMB9.3 million (2023: RMB20.4 million*) in respect of dividends distributed/expected to be distributed from a PRC subsidiary was recognised during the period.

Overall, profit attributable to ordinary equity holders of the Company for the six months ended 30 June 2024 increased by 16.0% to RMB737.5 million against the last corresponding period (2023: RMB636.0 million*).



Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION

PROPERTY MANAGEMENT SERVICES

At 30 June 2024, total GFA under management increased to 422.7 million sq.m. that was 5.3% more comparing with the end of last year (At 31 December 2023: 401.5 million sq.m.), in which, the portion of GFA under management from independent third parties and from non-residential projects were 40.8% and 30.4% respectively (At 31 December 2023: 40.5% and 30.1% respectively).

The following table sets forth a breakdown of the Group's GFA under management by source of projects as at period end:

	As at 30 June 2024		As at 31 December 2023	
	GFA under management million sq.m.	%	GFA under management million sq.m.	%
Source of projects:				
China State Construction and China Overseas Group	250.3	59.2%	239.0	59.5%
Independent third parties	172.4	40.8%	162.5	40.5%
Total	422.7	100.0%	401.5	100.0%

The following table sets forth a breakdown of the Group's GFA under management by project types as at period end:

	As at 30 June 2024		As at 31 December 2023	
	GFA under management million sq.m.	%	GFA under management million sq.m.	%
Project types:				
Residential projects	294.4	69.6%	280.6	69.9%
Non-residential projects	128.3	30.4%	120.9	30.1%
– Commercial and office buildings	22.1	5.2%	21.0	5.2%
– Public and other properties	106.2	25.2%	99.9	24.9%
Total	422.7	100.0%	401.5	100.0%

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

PROPERTY MANAGEMENT SERVICES *(continued)*

Revenue from property management services constituted 75.5% of total revenue for the six months ended 30 June 2024 (2023: 72.1%), and increased by 14.2% from last corresponding period to RMB5,165.9 million (2023: RMB4,522.9 million*), which was mainly arisen from the continuous increase in GFA under management from lump-sum basis contracts.

During the period, approximately 97.8% and 2.2% of the segment revenue were generated from regular property management contracts under lump sum basis and commission basis respectively (2023: 97.2% and 2.8% respectively).

The following table sets forth a breakdown of the Group's segment revenue from property management services for the period:

	For the six months ended 30 June					
	2024		2023		Change	
	Segment revenue RMB'000	%	Segment revenue RMB'000 (Restated)	%	RMB'000	%
Property management services:						
– Lump sum basis	5,049,756	97.8%	4,395,614	97.2%	654,142	14.9%
– Commission basis	116,149	2.2%	127,313	2.8%	(11,164)	(8.8)%
Total	5,165,905	100.0%	4,522,927	100.0%	642,978	14.2%

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

PROPERTY MANAGEMENT SERVICES *(continued)*

As at 30 June 2024, the ratio of GFA under management from lump sum basis and commission basis was 83.6% to 16.4% (At 31 December 2023: 83.3% to 16.7%).

The following table sets forth a breakdown of the Group's GFA under management by contract bases as at period end:

	As at 30 June 2024		As at 31 December 2023	
	GFA under management million sq.m.	%	GFA under management million sq.m.	%
Contract bases:				
Property management contracts under lump sum basis	353.5	83.6%	334.5	83.3%
Property management contracts under commission basis	69.2	16.4%	67.0	16.7%
Total	422.7	100.0%	401.5	100.0%

During the period, the segment gross profit margin from regular property management contracts under lump sum basis and commission basis was 13.5% and 100.0% respectively (2023: 12.2% and 100.0% respectively). Overall, the weighted average segment gross profit margin increased to 15.4% for the period (2023: 14.7%). Among that, the increase in gross profit margin under lump sum basis was mainly arisen from stringent cost control on material cost and overhead expenses reduction, as well as continuing subcontracting efforts.

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

PROPERTY MANAGEMENT SERVICES *(continued)*

Coupled with continuing increase in segment revenue, the gross profit of our property management services segment increased by 20.1% to RMB797.9 million from last corresponding period for the six months ended 30 June 2024 (2023: RMB664.4 million*).

The following table sets forth a breakdown of the Group's gross profit and gross profit margin of property management services for the period:

	For the six months ended 30 June					
	2024		2023		Change in gross profit	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000 (Restated)	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services:						
– Lump sum basis	681,768	13.5%	537,117	12.2%	144,651	26.9%
– Commission basis	116,149	100.0%	127,313	100.0%	(11,164)	(8.8)%
Total	797,917	15.4%	664,430	14.7%	133,487	20.1%

After deducting segment administrative expenses and net impairment of trade and retention receivables, and payments on behalf of property owners for properties managed on a commission basis, as well as taking into account of other income, the segment profit of the property management services increased by 22.6% to RMB719.9 million for the period (2023: RMB587.1 million*).

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

VALUE-ADDED SERVICES TO NON-RESIDENTS

Value-added services to non-residents sub-segment cover engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. for property developers and other property management companies. For the six months ended 30 June 2024, revenue from the non-residents sub-segment constituted 13.3% (2023: 16.8%) of total revenue, and decreased by 13.7% to RMB911.5 million (2023: RMB1,056.0 million*). The decrease in segment revenue was mainly due to (i) the impact of adjustment and transformation in the real estate sector, which suppressed the business volumes on equipment installation, special and intelligent engineering services of new move-in projects, and reduced the demand on pre-delivery services (such as security, cleaning and repair and maintenance services for display units in pre-sales offices for developing properties) and inspection services from property developers; (ii) adaptation of the sales mix structure to strengthen the core business, while reducing the sales of hardware products with lower gross profit margin.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to non-residents for the period:

	For the six months ended 30 June			
	2024 Sub-segment revenue RMB'000	2023 Sub-segment revenue RMB'000 (Restated)	Change	
			RMB'000	%
Value-added services to non-residents:				
Engineering services	491,667	588,695	(97,028)	(16.5)%
Pre-delivery services	299,133	337,345	(38,212)	(11.3)%
Inspection services	87,139	105,047	(17,908)	(17.0)%
Consulting services	33,602	24,905	8,697	34.9%
Total	911,541	1,055,992	(144,451)	(13.7)%

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

VALUE-ADDED SERVICES TO NON-RESIDENTS *(continued)*

In respect of the profitability, the gross profit margin of the value-added services to non-residents sub-segment for the period was 14.1% (2023: 13.5%), which reflects the adaptation of sales mix and cost reduction on material procurement. Overall, the decrease in the sub-segment gross profit was limited to 10.3% to RMB128.1 million (2023: RMB142.9 million*).

After deducting higher sub-segment overhead for the period (mainly research and development costs to improve engineering systems), the sub-segment profit from value-added services to non-residents, decreased by 16.9% to RMB89.0 million against last period (2023: RMB107.0 million*).

VALUE-ADDED SERVICES TO RESIDENTS

In respect of value-added services to residents sub-segment, our services cover (i) community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance, one-stop shop asset management services to the property owners and rental of self-owned properties); (ii) home living service operations (to meet the various needs of residents of the properties, including housing ecology, home improvement, new retail, home services, tourism and leisure, education and training, health and elderly care, automotive services, platform services, etc.); and (iii) commercial service operations (to meet the needs of business users). Both of the customers' recognition of the Group's traditional property management services, and diversification of our product offerings and marketing channels through services offered with our online-to-offline platform facilitates meeting the various needs of residents of the properties, which promotes the life style quality and satisfaction of our customers.

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

VALUE-ADDED SERVICES TO RESIDENTS *(continued)*

For the six months ended 30 June 2024, revenue from the residents sub-segment constituted 10.1% (2023: 9.9%) of total revenue, and increased by 10.3% to RMB687.4 million (2023: RMB623.1 million*). While the retailing consumption and community group purchasing recorded significant growth as a result of successful marketing campaigns, demands for home services were slack. In respect of the community asset management services, competition was severe. Market penetration in the property agency was aided by affiliation with more local partners.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to residents for the period:

	For the six months ended 30 June			
	2024 Sub-segment revenue RMB'000	2023 Sub-segment revenue RMB'000 (Restated)	Change	
			RMB'000	%
Value-added services to residents:				
Community asset management services	310,710	288,381	22,329	7.7%
Home living service operations and commercial service operations	376,731	334,767	41,964	12.5%
Total	687,441	623,148	64,293	10.3%

The gross profit margin of value-added services to residents sub-segment slightly increased to 30.2% (2023: 29.3%) and the sub-segment gross profit increased by 13.6% to RMB207.7 million (2023: RMB182.9 million*).

Management Discussion & Analysis *(continued)*

SEGMENT INFORMATION *(continued)*

VALUE-ADDED SERVICES TO RESIDENTS *(continued)*

After having allowed for sub-segment overhead, the sub-segment profit from value-added services to residents increased by 12.3% to RMB198.3 million against last period (2023: RMB176.5 million*).

CAR PARKING SPACES TRADING BUSINESS

Through acquiring unfettered rights and ability to control and coordinate the sales of the car parking spaces at the properties under the Group's management, the Group can create greater ease and value to the residents of such properties, and thereby enhance the Group's overall management of the amenities within such properties. This in turn also enable the Group to take advantage of its existing abundance of cash balance and increase the shareholders' value.

During the six months ended 30 June 2024, segment revenue from the car parking spaces trading business marginally increased by 1.1% to RMB73.5 million (2023: RMB72.7 million*) from last period. During the period, a higher amount of carparks, that is, 1,254 were sold (2023: 898). However, due to a lower average transaction price, the segment profit decreased to RMB13.9 million (2023: RMB14.5 million*).



Management Discussion & Analysis *(continued)*

LIQUIDITY, FINANCIAL RESOURCES AND DEBT STRUCTURE

The Group adopts prudent financial policies, with effective financial and cash management under centralised supervision, and maintains appropriate leverage with adequate cash balances. As at 30 June 2024, net working capital amounted to RMB4,006.7 million (At 31 December 2023: RMB3,565.6 million).

Bank balances and cash decreased by 2.4% to RMB5,005.3 million from last year end (At 31 December 2023: RMB5,130.7 million), in which, 87.7% were denominated in Renminbi and 12.3% were denominated in Hong Kong Dollar/Macau Pataca.

At 30 June 2024, the Group had short-term unsecured bank borrowings denominated in Renminbi amounted to RMB59.5 million (At 31 December 2023: RMB56.4 million). During the six months ended 30 June 2024, the borrowing costs were charged at floating rates with weighted average interest rate of 3.1% per annum.



Management Discussion & Analysis *(continued)*

FOREIGN EXCHANGE EXPOSURE

As the Group recorded its revenue, receivables and payables and expenditures etc. in Renminbi for its main property management business in the PRC, the management considers that a natural hedge mechanism existed. Since the announcement of 2023's annual results, the presentation currency for preparation of consolidated financial statements was changed from Hong Kong Dollars to Renminbi, to reduce the translation effects arising from Renminbi exchange rate fluctuation on the financial performances denominated in Hong Kong Dollars, so as to more accurately reflect the operations of the Group. However, fluctuations of exchange rates may still impact our net assets value and financial results presented in Renminbi due to currency translation on Hong Kong and Macau business upon consolidation. If Hong Kong Dollar appreciates/depreciates against Renminbi, we would record a(n) decrease/increase in our net assets value and financial results presented in Renminbi. At present, the Group has not entered into or traded any financial instruments, including derivative financial instruments, for hedging or speculative purpose. Hence, other than the effect of currency translation as mentioned above, we have neither experienced nor expected any material adverse effect on the Group's business and operations due to the Renminbi exchange rate fluctuation.

The Group would closely monitor the volatility of exchange rate, and would consider appropriate currency hedging policy for mitigating apparent exchange rate risk and enter into such hedging arrangement, if and when appropriate.



Management Discussion & Analysis *(continued)*

CAPITAL EXPENDITURES

The capital expenditures, which mainly represent additions to leasehold improvement, motor vehicles, machinery and equipment, furniture, fixtures, office equipment, leasehold right-of-use assets (including capitalised lease commitments) and software systems, were RMB103.6 million for the six months ended 30 June 2024.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2024, the capital commitments of the Group were RMB9.8 million, which mainly related to capital investment in a joint venture and acquisition of software and system. In additions, the Group provided counter-indemnities to a fellow subsidiary and banks amounting to approximately RMB307.9 million, for guarantees issued in respect of certain property management service contracts for which we are required to provide performance bonds in the ordinary course of business. Meanwhile, in order to substitute the Group's certain requirements upon participating in competitive tenders on projects under China Overseas Land & Investment Limited, China State Construction International Holdings Limited and China Overseas Grand Oceans Group Limited, the Company provided corporate guarantees to them up to an aggregate amount of RMB50.0 million, RMB30.0 million and RMB20.0 million respectively.

Except as disclosed above, the Group had no other material capital commitments and outstanding contingent liabilities as at 30 June 2024.



Management Discussion & Analysis *(continued)*

MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENT AND FUTURE PLANS OF MATERIAL INVESTMENT

The Group had no material acquisitions, disposals, significant investments and future plans of material investment during the six months ended 30 June 2024.

EMPLOYEES

As at 30 June 2024, the Group had approximately 40,178 employees (At 31 December 2023: 43,012). The pay levels of these employees are commensurate with their responsibilities, performance and the prevailing market conditions. The remuneration packages included basic salaries, discretionary bonus and provident fund contributions/retirement pension scheme. Certain selected key personnel of the Group were also entitled to participate in a share incentive scheme of an intermediate holding company of the Group. The total staff costs incurred for the six months ended 30 June 2024 was approximately RMB2,245.2 million (2023: RMB2,653.5 million*).

As part of our comprehensive training programme, the Group has provided classroom and online training to our staff to enhance technical and service knowledge as well as knowledge of industry quality standards and workplace safety standards.

* *Restated upon adopting Renminbi as the presentation currency of the Group's financial statements since the 2023's annual results.*



Condensed Consolidated Statement of Profit or Loss

The unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 and the comparative figures for the corresponding period in 2023 are as follows:

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Revenue	5	6,838,434	6,274,811
Direct operating expenses		(5,690,146)	(5,269,525)
Gross profit		1,148,288	1,005,286
Other income and gains, net	6	89,062	73,772
Fair value loss of self-owned investment properties, net		(4,813)	(1,280)
Selling and administrative expenses		(184,429)	(179,459)
Impairment of financial assets and contract assets, net		(52,666)	(35,524)
Operating profit		995,442	862,795
Finance costs	7	(3,833)	(3,120)
Share of profit of a joint venture		4,816	3,891
Share of profit of an associate		97	84
Profit before tax	4, 8	996,522	863,650
Income tax expenses	9	(252,871)	(223,588)
Profit for the period		743,651	640,062
Attributable to:			
Ordinary equity holders of the Company		737,524	635,961
Non-controlling interests		6,127	4,101
		743,651	640,062
Earnings per share attributable to ordinary equity holders of the Company		RMB Cents	RMB Cents
Basic and diluted	11	22.45	19.35

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Profit for the period	743,651	640,062
Other comprehensive income/(loss)		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
– Exchange differences on translation of subsidiaries' financial statements	4,968	12,414
– Exchange differences on translation of an associate's financial statements	11	13
	4,979	12,427
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
– Exchange differences on translation of the Company's financial statements	252	(5,266)
Other comprehensive income for the period, net of income tax	5,231	7,161
Total comprehensive income for the period	748,882	647,223
Attributable to:		
Ordinary equity holders of the Company	742,755	643,122
Non-controlling interests	6,127	4,101
	748,882	647,223

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	110,755	112,812
Investment properties		169,107	174,420
Right-of-use assets	12	72,870	57,335
Intangible assets	12	225,423	184,516
Investment in a joint venture		19,511	14,695
Investment in an associate		249	149
Due from a related company	15	75,026	75,026
Prepayments		17,182	16,260
Deferred tax assets		56,540	44,745
Total non-current assets		746,663	679,958
Current assets			
Inventories	13	689,150	735,645
Trade receivables, retention receivables and other contract assets	14	3,311,220	2,481,456
Prepayments, deposits and other receivables		1,034,794	1,002,172
Due from the immediate holding company	15	2,064	1,941
Due from fellow subsidiaries	15	570,986	486,202
Due from other related companies	15	109,694	92,789
Cash and bank balances		5,005,287	5,130,660
Total current assets		10,723,195	9,930,865
Current liabilities			
Trade payables	16	2,304,697	1,993,794
Other payables and accruals		1,106,383	959,071
Temporary receipts from properties managed		1,170,111	1,282,986
Receipts in advance and other deposits		1,642,748	1,700,060
Due to fellow subsidiaries	17	22,299	17,807
Due to other related companies	17	39,603	31,360
Income tax payables		327,231	281,723
Bank borrowings	18	59,538	56,359
Lease liabilities		43,877	42,081
Total current liabilities		6,716,487	6,365,241
Net current assets		4,006,708	3,565,624
Total assets less current liabilities		4,753,371	4,245,582

Condensed Consolidated Statement of Financial Position *(continued)*

Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-current liabilities		
Lease liabilities	68,924	55,192
Deferred tax liabilities	27,996	13,373
Total non-current liabilities	96,920	68,565
Net assets	4,656,451	4,177,017
Equity		
Equity attributable to ordinary equity holders of the Company		
Issued capital	19 2,677	2,679
Reserves	4,593,540	4,118,686
Non-controlling interests	4,596,217 60,234	4,121,365 55,652
Total equity	4,656,451	4,177,017

Condensed Consolidated Statement of Changes in Equity

	Attributable to ordinary equity holders of the Company							Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Issued capital RMB'000	Property revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	PRC statutory reserve RMB'000	Special reserve RMB'000	Capital reserve RMB'000	Retained profits RMB'000			
At 1 January 2023 (Audited)	2,679	41,080	(2,194)	299,758	(191,427)	20,533	3,007,559	3,177,988	45,437	3,223,425
Profit for the period	-	-	-	-	-	-	635,961	635,961	4,101	640,062
Other comprehensive income/(loss) for the period:										
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of subsidiaries' financial statements	-	-	12,414	-	-	-	-	12,414	-	12,414
Exchange differences on translation of an associate's financial statements	-	-	13	-	-	-	-	13	-	13
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of the Company's financial statements	-	-	(5,266)	-	-	-	-	(5,266)	-	(5,266)
Total comprehensive income for the period	-	-	7,161	-	-	-	635,961	643,122	4,101	647,223
Share-based payments borne by an intermediate holding company (Note 8)	-	-	-	-	-	1,936	-	1,936	-	1,936
Transfer to PRC statutory reserve	-	-	-	21,484	-	-	(21,484)	-	-	-
Capital contributions from non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	3,920	3,920
Dividends paid to non-controlling equity holder of subsidiaries	-	-	-	-	-	-	-	-	(2,170)	(2,170)
2022 final dividend (Note 10)	-	-	-	-	-	-	(240,427)	(240,427)	-	(240,427)
At 30 June 2023 (Unaudited)	2,679	41,080	4,967	321,242	(191,427)	22,469	3,381,609	3,582,619	51,288	3,633,907

Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to ordinary equity holders of the Company									
	Issued capital	Property revaluation reserve	Exchange fluctuation reserve	PRC statutory reserve	Special reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (Unaudited)	2,679	41,080	7,093	366,566	(191,427)	21,143	3,874,231	4,121,365	55,652	4,177,017
Profit for the period	-	-	-	-	-	-	737,524	737,524	6,127	743,651
Other comprehensive income for the period:										
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of subsidiaries' financial statements	-	-	4,968	-	-	-	-	4,968	-	4,968
Exchange differences on translation of an associate's financial statements	-	-	11	-	-	-	-	11	-	11
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of the Company's financial statements	-	-	252	-	-	-	-	252	-	252
Total comprehensive income for the period	-	-	5,231	-	-	-	737,524	742,755	6,127	748,882
Share-based payments borne by an intermediate holding company (Note 8)	-	-	-	-	-	259	-	259	-	259
Transfer to PRC statutory reserve	-	-	-	12,246	-	-	(12,246)	-	-	-
Dividends paid to non-controlling equity holder of subsidiaries	-	-	-	-	-	-	-	-	(927)	(927)
Shares repurchased and cancelled (Note 13)	(2)	-	-	-	-	-	(11,480)	(11,482)	-	(11,482)
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	(618)	(618)
2023 final dividend (Note 10)	-	-	-	-	-	-	(256,680)	(256,680)	-	(256,680)
At 30 June 2024 (Unaudited)	2,677	41,080	12,324	378,812	(191,427)	21,402	4,331,349	4,596,217	60,234	4,656,451

Condensed Consolidated Statement of Cash Flows

	Note	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Net cash flows used in operating activities		(80,010)	(189,813)
Cash flows used in investing activities			
Interest received		44,476	44,747
Purchase of items of property, plant and equipment	12	(18,042)	(24,766)
Purchase of intangible assets	12	(47,748)	(50,027)
Placement of non-pledged time deposits with original maturity of over three months		(400,000)	(700,000)
Withdrawal of non-pledged time deposits with original maturity of over three months		373,910	650,000
Net cash flows used in investing activities		(47,404)	(80,046)
Cash flows used in financing activities			
Interest portion of lease payments	7	(2,908)	(2,320)
Principal portion of lease payments		(18,578)	(20,146)
Interest paid for bank borrowings	7	(925)	(800)
Drawdown of bank borrowings		3,179	–
Repayment of bank borrowings		–	(13,000)
Capital contributions from non-controlling equity holders of subsidiaries		–	3,920
Dividends paid to non-controlling equity holder of subsidiaries		(927)	(2,170)
Payment on repurchase and cancellation of shares	19	(11,482)	–
Net cash flows used in financing activities		(31,641)	(34,516)
Net decrease in cash and cash equivalents		(159,055)	(304,375)
Cash and cash equivalents at beginning of period		3,191,750	2,418,185
Effect of foreign exchange rate changes, net		7,592	7,747
Cash and cash equivalents at end of period		3,040,287	2,121,557

Condensed Consolidated Statement of Cash Flows *(continued)*

	30 June 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited) (Restated)
Analysis of balances of cash and cash equivalents		
Cash and bank balances as stated in the condensed consolidated statement of financial position	5,005,287	3,881,557
Less: Non-pledged bank deposits with original maturity of over three months	(1,965,000)	(1,760,000)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	3,040,287	2,121,557

Notes to the Condensed Financial Statements

1. GENERAL INFORMATION

China Overseas Property Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands and shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Suite 703, 7/F, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

The immediate holding company of the Company is China Overseas Holdings Limited (“COHL”), a company incorporated in Hong Kong and its ultimate holding company is China State Construction Engineering Corporation (中國建築集團有限公司) (“CSCEC”), which is a state-owned enterprise established in the People’s Republic of China (the “PRC”) and is under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

During the six months ended 30 June 2024, the Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of property management services and value-added services to non-residents and residents; and the trading of car parking spaces.

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

The Interim Financial Statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, unless otherwise stated.

The Interim Financial Statements are unaudited, but have been reviewed by the Audit Committee of the Company. The Interim Financial Statements were approved for issue on 27 August 2024.



Notes to the Condensed Financial Statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared under the historical cost convention except for investment properties, which have been measured at fair values.

Save as described in note 3 “Changes in Accounting Policies and Disclosures”, the accounting policies used in preparing the Interim Financial Statements are consistent with those of the annual consolidated financial statements for the year ended 31 December 2023.

The Company changed the presentation currency of the consolidated financial statements of the Group from HK\$ in prior financial periods to RMB since the year ended 31 December 2023. The effects of the change in the presentation currency have been accounted for retrospectively with comparative figures restated in accordance with HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The comparative amounts in the consolidated financial statements of the Group are presented as if RMB had always been the presentation currency of the consolidated financial statements of the Group.



Notes to the Condensed Financial Statements (*continued*)

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereafter collectively referred to as the “revised HKFRSs”) issued by the HKICPA for the first time for the current period’s financial statements:

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

The adoption of the above revised HKFRSs in the current period did not have any significant impact on the financial position and performance of the Group.

The Group has not applied the following new or revised HKFRSs, that are relevant to the Group and have been issued but are not yet effective, in these financial statements:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
Amendments to HKAS 21	<i>Lack of Exchangeability¹</i>

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

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

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

⁴ No mandatory effective date yet determined but available for adoption

Notes to the Condensed Financial Statements *(continued)*

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The Group has already commenced a preliminary assessment of the relevant impact of these new or revised standards and amendments, certain of which may be relevant to the Group's operations and may give rise to changes in disclosures and remeasurement of certain items in the financial statements. Preliminary assessment of these standards based on current available information does not indicate any significant impacts to the results and financial position of the Group as when these standards become effective.

4. OPERATING SEGMENT INFORMATION

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

- (a) the property management services segment engages in the provision of property management services such as security, repairs and maintenance, cleaning and garden landscape maintenance for residential communities (including mixed-use properties), commercial properties, government properties and construction sites.



Notes to the Condensed Financial Statements *(continued)*

4. OPERATING SEGMENT INFORMATION *(continued)*

- (b) the value-added services segment included:
 - (i) the value-added services to non-residents sub-segment engages in the provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery (such as security, cleaning and repair and maintenance services for display units in pre-sale offices for developing properties), move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. to non-residents (such as property developers and other property management companies).
 - (ii) the value-added services to residents sub-segment engages in the provision of community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance and rental of self-owned properties), home living service operations (to meet the various needs of residents of the properties) and commercial service operations (to meet the needs of business users).
- (c) the car parking spaces trading business segment engages in the trading of various types of car parking spaces.

Basis of segment information

The chief operating decision maker of the Group ("CODM," identified as the executive directors of the Company and certain senior management) monitors the results of the Group's operating segments separately for the purpose of making decisions about measurements including resource allocation and performance assessment. Segment performance is evaluated based on various considerations, including but not limited to reportable segment profit, which is measured consistently with the Group's profit before tax except that corporate expenses including professional fees and staff costs are excluded from such measurement.

Inter-segment revenue and transfers are transacted with reference to the charging prices used for revenue from third parties at the then prevailing market prices.

Notes to the Condensed Financial Statements *(continued)*

4. OPERATING SEGMENT INFORMATION *(continued)*

Segment revenue and results

Six months ended 30 June 2024 (Unaudited)

	Property management services RMB'000	Value-added services		Sub-total RMB'000	Car parking spaces trading business RMB'000	Total RMB'000
		Non-residents RMB'000	Residents RMB'000			
Reportable segment revenue						
Revenue from external customers (note 5)	5,165,905	911,541	687,441	1,598,982	73,547	6,838,434
Inter-segment revenue	86,144	317,630	53,033	370,663	-	456,807
	5,252,049	1,229,171	740,474	1,969,645	73,547	7,295,241
<i>Reconciliation:</i>						
Elimination of inter-segment revenue						(456,807)
Reported total revenue						6,838,434
Reportable segment results	719,879	88,970	198,294	287,264	13,879	1,021,022
<i>Reconciliation:</i>						
Corporate expenses, net						(24,500)
Profit before tax						996,522

Notes to the Condensed Financial Statements *(continued)*

4. OPERATING SEGMENT INFORMATION *(continued)*

Segment revenue and results *(continued)*

Six months ended 30 June 2023 (Unaudited) (Restated)

	Property management services RMB'000 (Restated)	Value-added services		Sub-total RMB'000 (Restated)	Car parking spaces trading business RMB'000 (Restated)	Total RMB'000 (Restated)
		<i>Non- residents RMB'000 (Restated)</i>	<i>Residents RMB'000 (Restated)</i>			
Reportable segment revenue						
Revenue from external customers (note 5)	4,522,927	1,055,992	623,148	1,679,140	72,744	6,274,811
Inter-segment revenue	44,962	264,108	88,299	352,407	-	397,369
	4,567,889	1,320,100	711,447	2,031,547	72,744	6,672,180
<i>Reconciliation:</i>						
Elimination of inter-segment revenue						(397,369)
Reported total revenue						6,274,811
Reportable segment results	587,140	107,019	176,510	283,529	14,480	885,149
<i>Reconciliation:</i>						
Corporate expenses, net						(21,499)
Profit before tax						863,650

Notes to the Condensed Financial Statements *(continued)*

5. REVENUE

Disaggregated revenue information

Type of goods or services

Revenue from contracts with customers disaggregated by type of goods or services (i.e. provision of property management services, provision of value-added services to non-residents and residents and trading of car parking spaces) are recognised in the respective reportable operating segments (i.e. property management services, value-added services to non-residents and residents and car parking spaces trading business), and the details of the revenue from these reportable operating segments are set out in note 4 “Operating segment information”.

Timing of revenue recognition

Six months ended 30 June 2024 (Unaudited)

Segments	Value-added services					Total RMB'000
	Property management services RMB'000	Non-residents		Sub-total RMB'000	Car parking space trading business RMB'000	
		Non- residents RMB'000	Residents RMB'000			
Goods or services transferred at a point in time	-	-	492,013	492,013	71,559	563,572
Services transferred over time	5,165,905	911,541	186,831	1,098,372	-	6,264,277
Total revenue from contracts with customers	5,165,905	911,541	678,844	1,590,385	71,559	6,827,849
Revenue from another source – rental income	-	-	8,597	8,597	1,988	10,585
Total revenue from external customers	5,165,905	911,541	687,441	1,598,982	73,547	6,838,434

Notes to the Condensed Financial Statements *(continued)*

5. REVENUE *(continued)*

Disaggregated revenue information *(continued)*

Timing of revenue recognition (continued)

Six months ended 30 June 2023 (Unaudited) (Restated)

Segments	Property management services RMB'000 (Restated)	Value-added services		Sub-total RMB'000 (Restated)	Car parking space trading RMB'000 (Restated)	Total RMB'000 (Restated)
		<i>Non-residents</i> RMB'000 (Restated)	<i>Residents</i> RMB'000 (Restated)			
Goods or services transferred at a point in time	-	-	439,824	439,824	69,551	509,375
Services transferred over time	4,522,927	1,055,992	174,931	1,230,923	-	5,763,850
Total revenue from contracts with customers	4,522,927	1,055,992	614,755	1,670,747	69,551	6,263,225
Revenue from another source - rental income	-	-	8,393	8,393	3,193	11,586
Total revenue from external customers	4,522,927	1,055,992	623,148	1,679,140	72,744	6,274,811

Geographical market

All revenue were generated in the PRC (including Mainland China, Hong Kong and Macau).

Notes to the Condensed Financial Statements *(continued)*

6. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Unconditional government grants:		
– Government subsidies relating to covid-19 pandemic	–	1,247
– Government subsidies arising from value-added and other taxes beneficial policies	8,332	16,916
– Other government grants	12,598	10,158
	20,930	28,321
Interest income	51,055	36,605
Others	17,077	8,846
	89,062	73,772

Notes to the Condensed Financial Statements *(continued)*

7. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Interest expense on lease liabilities	2,908	2,320
Interest expense on short-term bank borrowings	925	800
	3,833	3,120

8. PROFIT BEFORE TAX

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Profit before tax is arrived at after charging: Employee benefit expenses including directors' and chief executive's remuneration and share-based payment (note)	2,245,153	2,653,472
Sub-contracting costs	2,558,010	1,632,047

Note: During the six months ended 30 June 2024, share-based payment to certain directors, senior management and other employees amounting to RMB259,000 (2023: RMB1,936,000 (restated)) were recognised in profit or loss, with a corresponding credit to equity.

Notes to the Condensed Financial Statements *(continued)*

9. INCOME TAX EXPENSES

An analysis of the Group's income tax expenses is as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
Current:		
Hong Kong	2,269	9,175
Macau	180	100
Mainland China	238,309	200,598
The PRC withholding income tax	9,252	20,387
	250,010	230,260
Deferred	2,861	(6,672)
Total	252,871	223,588

Notes to the Condensed Financial Statements *(continued)*

9. INCOME TAX EXPENSES *(continued)*

Notes:

- (a) A summary of applicable income tax rates of the jurisdictions in which the Group operates during the period is as follows:

	Six months ended 30 June	
	2024 %	2023 %
Mainland China*	25	25
Hong Kong	16.5	16.5
Macau	12	12

* In accordance with the relevant tax laws and regulations of the PRC, certain subsidiaries of the Group established in Mainland China are subject to preferential enterprise income tax rates.

- (b) The PRC withholding tax is imposed on dividends distributed or expected to be distributed from a PRC subsidiary to the Company at the concession tax rate of 5% (2023: 5%).

Notes to the Condensed Financial Statements *(continued)*

10. DIVIDENDS

A dividend of RMB256,680,000 that relates to the year ended 31 December 2023 was paid in July 2024 (2023: RMB240,427,000 (restated)).

On 27 August 2024, the board of directors has resolved to declare an interim dividend of HK8.5 cents per share (2023: HK5.5 cents), which is payable to shareholders whose names appear on the Company's register of members on 4 October 2024. This interim dividend, amounting to approximately RMB255,075,000 (2023: RMB167,427,000 (restated)), has not been recognised as a liability in the Interim Financial Statements. It will be recognised in equity in the year ending 31 December 2024.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of RMB737,524,000 (2023: RMB635,961,000 (restated)), and the weighted average number of ordinary shares of 3,285,370,350 (2023: 3,286,860,460) in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for each of the six months ended 30 June 2024 and 2023 for a dilution as the Group had no dilutive potential ordinary shares in issue during these periods.



Notes to the Condensed Financial Statements *(continued)*

12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the capital expenditures of the Group was RMB103,557,000 (2023: RMB79,964,000 (restated)), which represented additions to property, plant and equipment, intangible assets and right-of-use assets of approximately RMB18,042,000, RMB47,748,000 and RMB37,767,000 respectively (2023: RMB24,766,000 (restated), RMB50,027,000 (restated) and RMB5,171,000 (restated) respectively).

13. INVENTORIES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Car parking spaces	686,686	731,821
Others	2,464	3,824
	689,150	735,645

The car parking spaces are all located in Mainland China and are held for trading.

Notes to the Condensed Financial Statements *(continued)*

14. TRADE RECEIVABLES, RETENTION RECEIVABLES AND OTHER CONTRACT ASSETS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	3,490,035	2,620,531
Retention receivables and other contract assets	58,924	31,147
Trade receivables, retention receivables and other contract assets	3,548,959	2,651,678
Less: Impairment	(237,739)	(170,222)
	3,311,220	2,481,456

Note:

Trade receivables are non-interest bearing and arise from the provision of property management services from properties managed under lump sum basis, value-added services and car parking space trading business. Property management service income from properties managed under lump sum basis are received in accordance with the terms of the relevant property management service agreements and they are due for payment by the residents upon the issuance of demand notes by the Group. Service income for the provision of repair and maintenance, automation and other equipment upgrade service income is received in accordance with the terms of the relevant contract agreements, normally within 60 days from the issuance of payment requests. Other value-added service income is due for payment upon the issuance of demand notes. Car parking space trading income is received in accordance with the terms of the sales and purchases agreement.

Notes to the Condensed Financial Statements *(continued)*

14. TRADE RECEIVABLES, RETENTION RECEIVABLES AND OTHER CONTRACT ASSETS *(continued)*

Note: *(continued)*

The Group's credit terms of its trade receivables are negotiated with and entered into under normal commercial terms with tenants of the properties managed under lump sum basis and customers of value-added services and car parking space trading business. The Group does not hold any collateral or other credit enhancements over these balances.

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Unaudited)
Within 1 month	960,496	922,937
1 to 3 months	771,313	489,820
3 to 12 months	1,094,094	721,614
1 to 2 years	394,568	271,767
Over 2 years	269,564	214,393
	3,490,035	2,620,531

Notes to the Condensed Financial Statements *(continued)*

15. BALANCES DUE FROM RELATED PARTIES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balance due from the immediate holding company		
Trade nature	2,064	1,941
Balances due from fellow subsidiaries		
Trade nature	557,383	458,139
Prepayment	13,603	28,063
	570,986	486,202
Balances due from other related companies (including joint ventures and associates of fellow subsidiaries)		
Portion classified as current assets:		
Trade nature	109,496	90,682
Prepayment	198	2,107
	109,694	92,789
Portion classified as non-current assets:		
Non-trade nature	75,026	75,026
Total balances due from related parties	757,770	655,958

Notes to the Condensed Financial Statements *(continued)*

15. BALANCES DUE FROM RELATED PARTIES

(continued)

An ageing analysis of the trade nature balances due from related parties as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balance due from the immediate holding company		
Within 1 month	814	797
1 to 3 months	39	116
Over 3 months	1,211	1,028
	2,064	1,941

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balances due from fellow subsidiaries		
Within 1 month	174,306	131,573
1 to 3 months	96,375	98,086
3 to 12 months	148,745	138,955
1 to 2 years	65,783	65,185
Over 2 years	72,174	24,340
	557,383	458,139

Notes to the Condensed Financial Statements *(continued)*

15. BALANCES DUE FROM RELATED PARTIES

(continued)

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balances due from other related companies		
Within 1 month	42,803	37,544
1 to 3 months	17,454	13,550
3 to 12 months	31,235	19,938
1 to 2 years	9,839	14,416
Over 2 years	8,165	5,234
	109,496	90,682

16. TRADE PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 month	1,152,156	851,047
1 to 3 months	442,632	525,320
3 to 12 months	547,793	475,081
1 to 2 years	114,192	112,567
Over 2 years	47,924	29,779
	2,304,697	1,993,794

Notes to the Condensed Financial Statements *(continued)*

17. BALANCES DUE TO RELATED PARTIES

The breakdown of amounts due to the related parties and the ageing analysis of trade nature balances due to the related parties as at the end of the reporting period, based on the invoice date, are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balances due to fellow subsidiaries		
– trade nature		
Within 1 month	9,908	6,669
1 to 3 months	2,427	1,414
3 to 12 months	4,850	2,322
1 to 2 years	2,803	715
Over 2 years	926	1,189
	20,914	12,309
– receipts in advance	1,385	5,498
	22,299	17,807
Balances due to other related companies (including joint ventures and associates of fellow subsidiaries) – trade nature		
Within 1 month	3,929	4,267
1 to 3 months	4,319	2,415
3 to 12 months	6,939	12,908
1 to 2 years	14,392	770
Over 2 years	338	56
	29,917	20,416
– receipts in advance	9,686	10,944
	39,603	31,360
Total balances due to related parties	61,902	49,167

Notes to the Condensed Financial Statements *(continued)*

18. BANK BORROWINGS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Bank borrowings – unsecured	59,538	56,359

As at 30 June 2024, the Group had unsecured short-term bank borrowing denominated in RMB of RMB59,538,000 (At 31 December 2023: RMB56,359,000), which bear floating interest rates at the PRC Loan Prime Rate minus specific rates. The weighted average effective interest rate was 3.1% per annum during the six months ended 30 June 2024.

19. SHARE CAPITAL

Issued and fully paid:

	RMB'000
At 1 January 2023 and 31 December 2023 (Audited), 1 January 2024 (Unaudited) (3,286,860,460 ordinary shares of HK\$0.001 each)	2,679
Shares repurchased and cancelled (Note) (2,900,000 ordinary shares of HK\$0.001 each)	(2)
As at 30 June 2024 (Unaudited) (3,283,960,460 ordinary shares of HK\$0.001 each)	2,677

Note: During the six months ended 30 June 2024, the Company repurchased and cancelled a total of 2,900,000 of its shares listed on the Stock Exchange for an aggregate consideration of RMB11,482,000, which was paid out of the Company's retained profits in accordance with Cayman Companies Act.

Notes to the Condensed Financial Statements *(continued)*

20. CAPITAL COMMITMENTS

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Contracted, but not provided for:		
Capital investment into a joint venture	2,550	2,550
Purchases of items of intangible assets	7,213	24,006
	9,763	26,556

21. CONTINGENT LIABILITIES

As at 30 June 2024, the Group provided counter indemnities to a fellow subsidiary and banks amounting to approximately RMB67,700,000 (as at 31 December 2023: RMB77,679,000) and RMB240,182,000 (as at 31 December 2023: RMB216,123,000), respectively for performance guarantees issued by the fellow subsidiary and the banks in respect of certain property management service contracts undertaken by the Group.

In additions, we had provided corporate guarantees to two fellow subsidiaries and a related company of approximately RMB80,000,000 (as at 31 December 2023: RMB80,000,000) and RMB20,000,000 (as at 31 December 2023: RMB20,000,000) respectively, for tender deposits, performance bonds issued by banks or security deposits on contracts following tender acceptances to ensure contract performance and quality guarantees on settlement.

Notes to the Condensed Financial Statements *(continued)*

22. RELATED PARTY DISCLOSURES

The table set forth below summarises the name of the major related parties as defined in HKAS 24 (Revised) “Related Party Disclosures” and the nature of their relationship with the Group as at 30 June 2024:

Related Parties	Relationship with the Group
CSCEC	Ultimate holding company
China State Construction Engineering Corporation Limited (“CSCECL”)	Intermediate holding company
COHL	Immediate holding company
China Overseas Land & Investments Limited (“COLI”) and its subsidiaries	Fellow subsidiaries
China State Construction International Holdings Limited (“CSC”) and its subsidiaries	Fellow subsidiaries
China Overseas Grand Oceans Group Limited, and joint ventures and associates of other related parties	Other related companies



Notes to the Condensed Financial Statements *(continued)*

22. RELATED PARTY DISCLOSURES *(continued)*

In addition to the transactions detailed elsewhere in these condensed financial statements, the Group had the following material transactions with related parties during the period:

		Six months ended 30 June	
		2024	2023
Notes		RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
CSCEC and its subsidiaries (exclusive of COHL and its subsidiaries)			
Property management income and value-added services income	(i)	79,749	77,996
Rental expenses paid	(ii)	2,076	1,999
COHL and its subsidiaries (exclusive of COLI, CSC and their subsidiaries)			
Property management income and value-added services income	(i)	7,470	5,196
Rental expenses paid	(ii)	1,331	1,273
Other fellow subsidiaries			
Property management income and value-added services income	(i)	558,723	691,839
Rental and utility expenses paid	(ii)	51,103	59,626
Material procurement and supply chain management services committed	(iii)	18	1,188
Other related companies			
Property management income and value-added services income	(i)	142,244	153,510
Rental expenses paid	(ii)	253	234
Key management (including directors)			
Remuneration		4,438	7,077

Notes to the Condensed Financial Statements *(continued)*

22. RELATED PARTY DISCLOSURES *(continued)*

Notes:

- (i) The property management income and value-added services income were based on the rates in accordance with the respective contracts.
- (ii) The rental and utility paid expenses were charged in accordance with the respective tenancy agreements and property management agreements.
- (iii) The material procurement and supply chain management services were charged in accordance with the respective agreements.

23. FAIR VALUE MEASUREMENT

(a) Financial instruments

As at 30 June 2024 and 31 December 2023, the Group did not have any financial instruments measured at fair value, accordingly, no analysis on fair value hierarchy is presented.

Financial instruments not measured at fair value include trade and retention receivables, deposits under current assets and current liabilities, other receivables, amount due from/(to) the immediate holding company, fellow subsidiaries and other related companies, trade payables, other payables and accruals, temporary receipts from properties managed, lease liabilities, bank borrowings and cash and bank balances.

Due to their mainly short-term maturities in nature, the carrying values of the above financial instruments approximate to their fair values.

(b) Non-financial assets

The fair value of the investment properties as at 30 June 2024 is a level 3 recurring fair value measurement and determined using the same approach as the last year ended. During the six months ended 30 June 2024, there were no transfers among level 1, level 2 and level 3.

24. COMPARATIVE AMOUNTS

The comparative amounts in prior financial periods were restated as a result of the change in presentation currency of the Group's financial statements from HK\$ to RMB, as further detailed in note 2.

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

During the six months ended 30 June 2024, the Company has adopted and complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the interim report of the Group for the six months ended 30 June 2024.

SHARE CAPITAL

The Company’s total number of shares in issue as at 30 June 2024 was 3,283,960,460 ordinary shares.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the six months ended 30 June 2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.



Corporate Governance and Other Information *(continued)*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were 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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in Shares and Underlying Shares of the Associated Corporations

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Ordinary Shares/ Underlying Shares Held	Approximate Percentage of Shares in Issue
Zhang Guiqing	China State Construction Engineering Corporation Limited ("CSCECL")	Beneficial owner	190,000	0.0005% ¹
	China Overseas Land & Investments Limited ("COLI")	Beneficial owner	20,000	0.0002% ²
Xiao Junqiang	CSCECL	Beneficial owner	110,000	0.0003% ¹
Pang Jinying	CSCECL	Beneficial owner	118,000	0.0003% ¹
Ma Fujun	CSCECL	Beneficial owner	190,000	0.0005% ¹
Guo Lei	COLI	Beneficial owner	370,000 ³	0.003% ²

Corporate Governance and Other Information *(continued)*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(continued)*

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

Notes:

1. The percentage represents the number of A shares interested divided by the number of total issued A shares of CSCECL as at 30 June 2024 (i.e. 41,619,952,444 shares).
2. The percentage represents the number of shares/underlying shares interested divided by the number of total issued shares of COLI as at 30 June 2024 (i.e. 10,944,883,535 shares).
3. Mr. Guo Lei ("Mr. Guo") has personal interests in 370,000 share options granted by COLI under its shares option scheme adopted on 29 June 2018, which entitled Mr. Guo to acquire 370,000 COLI shares at an exercise price of HK\$18.724 per share within an exercise period from 24 November 2022 to 23 November 2026 (both days inclusive).

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company or their respective associates had held or deemed or taken to have held 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.



Corporate Governance and Other Information *(continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 June 2024, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long Positions in Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares Held	Approximate Percentage of Shares in Issue
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	169,712,309	5.17% ⁴
China Overseas Holdings Limited ("COHL")	Beneficial owner	1,841,328,751	56.07% ⁴
	Interest of controlled corporation	169,712,309 ¹	5.17% ⁴
CSCECL	Interest of controlled corporations	2,011,041,060 ²	61.24% ⁴
China State Construction Engineering Corporation ("CSCEC")	Interest of controlled corporations	2,011,041,060 ³	61.24% ⁴

Notes:

- COHL holds 100% interest in Silver Lot and therefore, COHL is deemed to be interested in 169,712,309 shares of the Company in which Silver Lot is interested under the SFO.
- CSCECL holds 100% interest in COHL and therefore, CSCECL is deemed to be interested in a total of 2,011,041,060 shares of the Company in which COHL is or is taken to be interested under the SFO.
- CSCEC holds 57.02% interest in CSCECL and therefore, CSCEC is deemed to be interested in a total of 2,011,041,060 shares of the Company in which CSCECL is taken to be interested under the SFO.
- The percentage represents the number of shares interested divided by the number of total issued shares of the Company as at 30 June 2024 (i.e. 3,283,960,460 shares).

Corporate Governance and Other Information *(continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY *(continued)*

Long Positions in Shares of the Company *(continued)*

Save as disclosed above, as at 30 June 2024, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there was no other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, the Company bought back a total of 2,900,000 shares of the Company on the Stock Exchange for an aggregate consideration of HK\$12,362,100 (before expenses). All the shares bought back were cancelled on 29 May 2024.

Details of the share buy-backs are as follows:

Buy-back Date	Number of Shares Bought Back	Purchase Price Per Share		Aggregate Consideration (Before Expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
27 March 2024	500,000	4.47	4.15	2,148,500
28 March 2024	1,800,000	4.36	4.18	7,708,600
5 April 2024	600,000	4.20	4.12	2,505,000
Total:	2,900,000			12,362,100

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

Information for Shareholders

INTERIM DIVIDEND

After taking into account the dividend policy of the Group, capital market expectations, business results for the period and future business development plans, the Board declared the payment of an interim dividend of HK8.5 cents per share for the six months ended 30 June 2024 (for the six months ended 30 June 2023: HK5.5 cents per share). The interim dividend will be paid to the shareholders of the Company on Monday, 21 October 2024 whose names appear on the Company's register of members (the "Register of Members") on Friday, 4 October 2024.

CLOSURE OF REGISTER OF MEMBERS

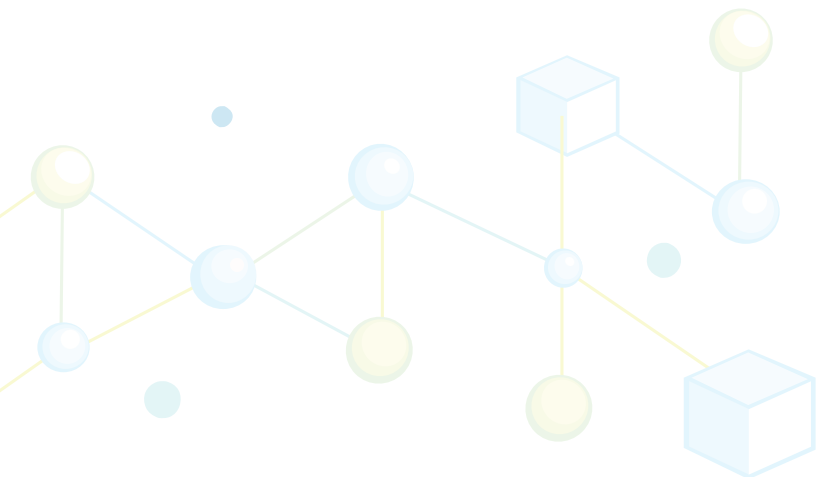
For the purpose of determining the eligible shareholders' entitlement to the interim dividend, the Register of Members will be closed as appropriate as set out below:

Ex-dividend date	Friday, 27 September 2024
Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Monday, 30 September 2024
Closure of Register of Members	Wednesday, 2 October 2024 to Friday, 4 October 2024 (both days inclusive)
Record date	Friday, 4 October 2024

For purpose mentioned above, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.







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