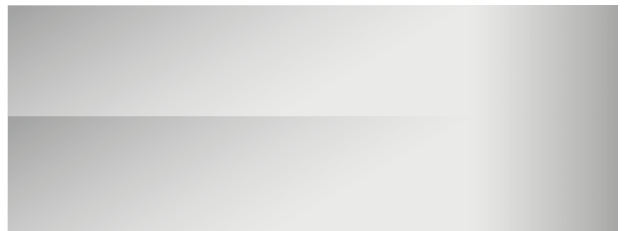


Spring NO.3, partial screen | Zhou Li | 2023 | mixed media on canvas | 130 x 160 cm  
Copyright © 2024 Zhou Li, All rights reserved

# 2024 Interim Report

FANTASIA  
花  
样  
年

花樣年控股集團有限公司  
FANTASIA HOLDINGS GROUP CO., LIMITED  
Stock Code: 01777.HK



有 趣 / 有 味 / 有 料

A Leader in Providing Joyful, Colorful and Meaningful Living Space and Experience.

# 目錄

## CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Disclosure of Interests	13
Corporate Governance and Other Information	16
Report on Review of Condensed Consolidated Financial Statements	22
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	24
Condensed Consolidated Statement of Financial Position	25
Condensed Consolidated Statement of Changes in Equity	27
Condensed Consolidated Statement of Cash Flows	28
Notes to the Condensed Consolidated Financial Statements	30

## DIRECTORS

### Executive Directors

Ms. Cheng Jianli (*Chairman*)  
Mr. Timothy David Gildner  
Mr. Lin Zhifeng

### Non-Executive Directors

Ms. Zeng Jie, Baby  
Mr. Su Boyu

### Independent Non-Executive Directors

Mr. Kwok Chi Shing  
Mr. Guo Shaomu  
Mr. Ma Yu-heng

## COMPANY SECRETARY

Ms. Luo Shuyu

## AUTHORIZED REPRESENTATIVES

Ms. Cheng Jianli  
Ms. Luo Shuyu

## AUDIT COMMITTEE

Mr. Kwok Chi Shing  
(*Committee Chairman*)  
Mr. Guo Shaomu  
Mr. Ma Yu-heng

## REMUNERATION COMMITTEE

Mr. Guo Shaomu  
(*Committee Chairman*)  
Ms. Cheng Jianli  
Mr. Kwok Chi Shing  
Mr. Ma Yu-heng

## NOMINATION COMMITTEE

Ms. Cheng Jianli  
(*Committee Chairman*)  
Ms. Zeng Jie, Baby  
Mr. Guo Shaomu  
Mr. Kwok Chi Shing  
Mr. Ma Yu-heng

## AUDITORS

Prism Hong Kong Limited (Formerly known as Prism Hong Kong and Shanghai Limited)  
Registered Public Interest Entity Auditors

## PRINCIPAL BANKERS

China Minsheng Bank Corp., Ltd.  
Industrial and Commercial Bank of China Limited  
Ping An Bank Co., Ltd.  
China Everbright Bank Co., Ltd.

## LEGAL ADVISORS

As to Hong Kong Law  
Sidley Austin

As to PRC Law  
Commerce & Finance Law Offices

As to Cayman Islands Law  
Conyers Dill & Pearman

## REGISTERED OFFICE

Cricket Square Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## CORPORATE HEAD OFFICE IN HONG KONG

21/F.  
CMA Building  
64 Connaught Road Central  
Hong Kong

## CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

Block A, Funian Plaza  
Shihua Road and Zijing Road  
Interchange in Futian Duty-free Zone  
Shenzhen 518048  
Guangdong Province  
China

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A,  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1110  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## LISTING INFORMATION

The Company's Share Listing  
Ordinary shares  
The Stock Exchange of  
Hong Kong Limited  
Stock Code: 1777

## WEBSITE

<http://www.cnfantasia.com>

Dear Shareholders,

I am pleased to present to our shareholders the business review and outlook of Fantasia Holdings Group Co., Limited ("Fantasia" or the "Company") together with its subsidiaries (collectively, the "Group") for the six months ended 30 June 2024.

## I. RESULTS AND DIVIDENDS

As of 30 June 2024, Fantasia recorded revenue of approximately RMB1,641 million, representing a decrease of 59.2% from that of last year. The Group's net loss for the year amounted to approximately RMB3,151 million, representing an increase of 12.2% from that of last year.

## II. REVIEW FOR THE FIRST HALF OF 2024

In the first half of 2024, the overall market continued to shrink, with second-hand housing prices falling significantly and new housing market transactions declining sharply. The market gradually shifted from being dominated by new houses to second-hand houses. According to the National Bureau of Statistics, the sales area of newly-built commodity houses amounted to 479,160,000 sq.m., representing a decrease of 19.0% from that of last year, of which the sales area of residential housing decreased by 21.9%. Sales of newly-built commodity housing amounted to RMB4,713.3 billion, representing a decrease of 25.0% from that of last year, of which the sales of residential housing decreased by 26.9%. The investment in real estate development in the PRC amounted to RMB5,252.9 billion, a year-on-year decrease of 10.1%; among which, residential investment amounted to RMB3,988.3 billion, representing a decrease of 10.4%.

To stimulate the real estate market and promote stable economic development, many regions across the country reduced the down payment ratio for housing provident fund loans and increased the proportion of affordable housing to alleviate repayment pressure on homebuyers. Meanwhile, local governments gradually relaxed credit policies, implemented tax reductions, and strengthened supervision to ensure smooth project delivery and maintain stable development of the real estate market.

Under this environment, Fantasia faced challenges head-on, actively responding to the industry's downturn through cost reduction and efficiency improvement. While facing operational pressures, we steadfastly pushed forward major urban renewal projects and firmly advanced the work of ensuring delivery and maintaining stability. We have consistently adhered to a long-term development philosophy, continuously promoting the implementation of various tasks. We firmly believe that focusing on creating long-term value is the key to maintaining competitiveness in the industry.

## III. CHALLENGES

In the first half of 2024, Fantasia faced enormous financial pressure. The continued impact of economic downturn and policy regulation has led to tightened financing channels and substantially increased financing costs. In this environment, market confidence has waned and sales performance has been under pressure, resulting in difficulties in capital turnover.

Confronted with the challenges of domestic and foreign debt restructuring, we recognise that resolving debt issues is our current top priority. To address this challenge, we continue to seek effective solutions through active communication with government departments and creditors. We are implementing multiple measures to actively promote debt restructuring and optimisation to reduce financial risks and ensure the Group's long-term stable operation.

#### IV. PROSPECTS

In the second half of 2024, regarding the challenges and opportunities of the post-real estate era, we will continue to adhere to our long-term strategic direction, actively respond to national policies, strive to improve project quality, and optimise business layout. While steadily advancing existing projects, we will also actively explore new development models and opportunities to ensure the Company maintains steady growth in the future.

Fantasia will optimise its debt structure in line with policies, obtain credit, bond, and equity financing support, and focus on asset-light operations to enhance the Company's operational efficiency and financial flexibility. The asset-light model helps reduce fixed asset investment and lower operational risks while optimising capital allocation. Within the framework of asset-light operations, we will strengthen innovation and explore new business models and cooperation opportunities. By integrating industry resources and optimising business processes, we will enhance Fantasia's operational efficiency. Meanwhile, Fantasia will place greater emphasis on fund management and risk control.

The continuous development of Fantasia could not have been achieved without the trust and support of our shareholders, investors and business partners. We will continue to be patience and confidence. As the Chinese economy continues to improve, and with the government's implementation of policies in support of a stable industry, we believe that the Company will be able to resolve various issues in an orderly manner, tide over difficulties, remain resilient and better embrace the opportunities and challenges ahead.

#### V. APPRECIATION

The development and proven performance of Fantasia could not have been achieved without the trust and support of our shareholders, debenture holders, business partners and the unremitting efforts of our staff. I would like to take this opportunity to express my sincere gratitude to all of you!

## BUSINESS REVIEW

## Property Development

## Contracted Sales

From January to June 2024, the Group achieved contracted sales of approximately RMB296 million and contracted sales area of 39,280 sq.m.

In the first half of 2024, faced with the social responsibility of “guaranteed delivery and stable operations” after the liquidity event, the Group has implemented combined policies to optimize the debt structure and promote project progress in order to ensure the steady progress in project delivery and steady sales launch. Good progress was made in delivery, sales and funding during the reporting period.

Contracted sales amount and area attributable to different product categories from January to June 2024  
During the reporting period, the contracted sales amount of the Group was mainly derived from sales in 9 cities, including Beijing, Shenzhen, Chengdu, Guilin and Kunming, and from approximately 20 projects, including Kunming Haoweilai, Chengdu Grande Valley, Qingdao Biyuntian, Shenzhen Good Time Jiayuan, Chongqing Hockney’s Good Time, Foshan Guangyayuan and others. The Group extended its presence across the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area in order to continuously expand its vertical strategic move in each metropolitan area and focus on key cities.

From January to June 2024				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Residences	292	98.66%	37,446	95.33%
Urban Complexes	4	1.34%	1,834	4.67%
Total	296	100%	39,280	100%

## Contracted sales amount and area in each region from January to June 2024

From January to June 2024				
Category	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Guangdong-Hong Kong – Macao Greater Bay Area	73	24.66%	3,158	8.04%
Chengdu-Chongqing Metropolitan Area	166	56.08%	27,749	70.64%
Central China Metropolitan Area	14	4.73%	2,797	7.12%
Yangtze River Delta Metropolitan Area	13	4.39%	1,419	3.61%
Bohai Rim Metropolitan Area	30	10.14%	4,157	10.59%
Total	296	100%	39,280	100%

## Guangdong-Hong Kong-Macao Greater Bay Area

As one of the most open and economically dynamic regions in China, Guangdong-Hong Kong-Macao Greater Bay Area has an important strategic position in China’s overall development. In the first half of 2024, the Group made active efforts to push forward the delivery and sales of projects in the Greater Bay Area. During the reporting period, the Group’s Shenzhen Good Time project in Shenzhen and Foshan Guangyayuan in Foshan were under normal construction progress and the projects were delivered on schedule. Meanwhile, the Group also ensured stable sales of these projects in the local area, further consolidating its market position in the Greater Bay Area.

During the reporting period, the Group achieved total contracted sales of RMB73 million and total contracted sales area of 3,158 sq.m. in Shenzhen, Foshan and Huizhou and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, contributing to approximately 24.66% and 8.04% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2024.

### Chengdu-Chongqing Metropolitan Area

As an important economic hub in South-western China, the Chengdu-Chongqing Metropolitan Area shows robust market demand for real estate and is one of the earliest important strategic markets entered by the Group. The Group has become one of the most influential brand developers in the region.

During the reporting period, the Group recorded total contracted sales of RMB166 million and total contracted sales area of 27,749 sq.m. in Chengdu, Kunming, Guilin and other cities in the Chengdu-Chongqing Metropolitan Area, contributing to approximately 56.08% and 70.64% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2024.

### Central China Metropolitan Area

As the geographical center of the country, Central China Metropolitan Area is increasingly becoming an important force for the rise of Central China with its advantages of convenient transportation and developed economy.

During the reporting period, the Group recorded total contracted sales of RMB14 million and total contracted sales area of 2,797 sq.m. in cities such as Wuhan and Zhengzhou in the Central China Metropolitan Area, contributing to approximately 4.73% and 7.12% of the total contracted sales and total contracted sales area of properties of the Group respectively for the interim period of 2024.

### Yangtze River Delta Metropolitan Area

The Yangtze River Delta Metropolitan Area is one of the most economically dynamic hubs in China. The Group has paid close attention to the core cities with high growing potential in the region for a long time. After experiencing market volatility, the Group responded positively to the challenges and maintained stable sales.

During the reporting period, the Group recorded total contracted sales of RMB13 million and total contracted sales area of 1,419 sq.m. in Nanjing, Shanghai and other cities in the Yangtze River Delta Metropolitan Area, contributing to approximately 4.39% and 3.61% of the total contracted sales and total contracted sales area of properties of the Group respectively in 2024.

### Bohai Rim Metropolitan Area

Bohai Rim Metropolitan Area is the most important economic hub in Northern China, playing an agglomeration, radiation, service and mobilization role in the national and regional economy and possessing great development potential. In the first half of 2024, the Group rapidly promoted the construction and sales of projects in the region, of which Beijing Mentougou and Qingdao Biyuntian maintained relatively stable sales results.

During the reporting period, the Group recorded total contracted sales of RMB30 million and total contracted sales area of 4,157 sq.m. in Beijing, Tianjin, Qingdao and other cities in the Bohai Rim Metropolitan Area, contributing to approximately 10.14% and 10.59% of the total contracted sales and total contracted sales area of properties of the Group respectively in the interim period of 2024.



### Projects under construction

As at 30 June 2024, the Group had a total of 16 projects or phases of projects under construction with a total GFA of 1,823,336 sq.m.

### Projects held for development

As at 30 June 2024, the Group had a total of 14 projects or phases of projects held for development with a total GFA of 5,921,908 sq.m.

### Land Bank

As at 30 June 2024, after deducting projects sold, the GFA of the land bank for the Group's projects under construction and projects held for development amounted to approximately 7,745,244 sq.m.

Land Bank Summary			
City Company	Projects under construction	Projects held for development	Aggregate GFA of land bank
	(sq.m.)	(sq.m.)	(sq.m.)
South China	255,168	706,025	961,193
North China	195,080	3,708,162	3,903,242
Southwest China	814,844	1,117,601	1,932,445
East China	197,681	76,769	274,450
Central China	360,563	313,351	673,914

### Community services

Colour Life Services Group Co., Limited ("Colour Life") is a leading property management and community services provider in China, with a focus on setting up offline and online service platform via the internet technology and effectively connecting the residents of the communities with different commodities and service providers, so as to provide the best living experience for residents of the communities on the back of property management services.

As communities constitute the most fundamental social units within a city, the services provided by the property management companies are essential in creating a stable and convenient living environment for the residents of the community and promoting the development of the society. The Group strives to meet the basic living needs of the property owners through providing Four Basic Guarantees services (defined as cleaning, greening, security and maintenance services), which constitute the solid cornerstone of community services system.

While meeting the basic living needs of the residents of the community, the Group also promotes smart community construction by proactively utilising emerging technologies such as the Internet of Things, big data and artificial intelligence, and introducing the application of intelligent equipment, so as to enhance the Group's service efficiency in providing high quality property management services for the residents. The Group has established a powerful digitalized "cloud" system in the head office, which minimised the dependency on function and scope of "management" and strengthened the service capacity of the "terminal", so as to organise effective community services. For instance, the Group has upgraded the existing Big Dipper system to a "digital property management platform" by adding an intelligent customer service feature that covers the five basic services including security, cleaning, greening, maintenance and engineering, the order-oriented operation system of the lift, energy and decoration services, as well as the customer complaint platform comprising complaint, repair application, parking, payment, decoration and other services. The Group has divided the entire property management service process into orders, further enhancing the service efficiency of the Group.

In addition to its efforts in refining the basic businesses, the Group has classified its management projects into various service levels based on different charging standards, set standards for equipment modification and services and provided well-oriented service experiences, so as to satisfy customers' demand for performance-price ratio in different projects and secure the Group's rapid expansion across China. With the establishment of an automated, centralised and standardized management system, the Group has realised excellent capacity of cost control under the premise of securing customer satisfaction.

While focusing on improving service efficiency, the Group is dedicated to building prosperous communities. The Group has taken the initiative to organise a wide range of community activities and proactively established communication channels to strengthen the relationship between property owners as well as between the property owners and the property management staff and enrich the residents' off-work life and spiritual culture, with the ultimate goal of building a better and more caring community. By providing such services, the Group is able to create a harmonious environment for the property owners, and push forward the establishment of our unique community culture brand, so as to enhance the property owners' trust in the Group. The improvement of our relationship with the residents also laid a solid foundation for our effort to further expand community consumption scenarios.

The Group is actively building up an online platform Caizhiyun for its community services equipped with functions such as paying property management fees, issuing notices and submitting complaints online through the platform, which not only provides convenience for residents of the communities but also strengthens the interactions between community property owners and the Group. In addition, the Group designates a proportional number of customer managers to serve the communities based on the number of residents in such communities. The customer managers will carry out following up work and seek feedback relating to customer satisfaction in a timely manner. On the one hand, it ensures the quality of basic services in the offline community, and on the other hand, it can efficiently understand the needs of the property owners so as to promote the development of value-added business. By organically combining the online and offline operations of the community, the Group further extends its competitive advantage.

## FINANCIAL REVIEW

## Revenue

Revenue of the Group mainly consists of revenue derived from (i) property development, (ii) lease of investment properties, (iii) provision of property operation, (iv) provision of hotel accommodation services, and (v) other services. Revenue of the Group amounted to approximately RMB1,641 million, representing a decrease of 59.17% from approximately RMB4,020 million for the corresponding period of 2023. Loss for the period attributable to the owners of the Company was approximately RMB3,161 million and loss attributable to owners of the Company was approximately RMB2,708 million for the corresponding period of 2023.

## Property Development

The Company recognises revenue from property development when the customer obtains control of the completed property and the Group has present right to payment and the collection of consideration is probable. Revenue from property development represents proceeds from the sales of the Group's properties held for sale. Revenue derived from property development decreased by 93.90% to approximately RMB166 million for the six months ended 30 June 2024 from approximately RMB2,720 million for the corresponding period in 2023, which was due to the GFA of delivered properties decreased during the period.

The table below sets forth the total revenue derived from each of the projects and the aggregate gross floor area ("GFA") of properties sold during the periods ended 30 June 2024 and 2023.

	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.
Shenzhen Good Time Jiayuan	39,522	1,194	33,101	–	–	–
Chongqing Hockney's Good Time	28,634	1,950	14,684	655,673	46,571	14,079
Qingdao Biyuntian	25,224	3,594	7,018	518,742	58,638	8,847
Chengdu Grande Valley	18,694	4,646	4,024	–	–	–
Guilin Lakeside Eden	18,200	4,306	4,227	46,281	8,687	5,328
Chengdu Biyun Tianxi	–	–	–	1,322,223	61,644	21,449
Tianjin Jiastianxia	–	–	–	83,557	6,278	13,309
Others	35,914			93,656		
	<b>166,188</b>			<b>2,720,132</b>		

### Property Investment

Revenue generated from property investment increased by 12.75% to approximately RMB115 million for the six months ended 30 June 2024 from approximately RMB102 million for the corresponding period in 2023. The increase was primarily due to the increase of occupancy rate.

### Property Operation Services

Revenue derived from property operation services increased by 13.46% to approximately RMB1,332 million for the six months ended 30 June 2024 from approximately RMB1,174 million for the corresponding period in 2023. The increase was mainly due to the overall increase in property management services and value-added services provided.

### Hotel Operations

Revenue derived from hotel operations and related services has remained stable and amounted to approximately RMB26 million for the six months ended 30 June 2024, as compared to approximately RMB24 million for the corresponding period of 2023.

### Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 37.15% to approximately RMB362 million for the six months ended 30 June 2024 from approximately RMB576 million for the corresponding period in 2023, while the Group's gross profit margin was approximately 22.1% for the six months ended 30 June 2024 as compared to a gross profit margin of approximately 14.3% for the corresponding period in 2023. The increase in gross profit margin was mainly due to the increase in the composition of property management services which have stable profit margin as compared to property development segment.

### Other Income, Gains and Losses

The Group recorded net other losses in the period of approximately RMB329 million (net loss for the same period in 2023: approximately RMB1,269 million). The change was mainly due to the net exchange losses arising from the senior notes denominated in USD.

### Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 57.28% to approximately RMB44 million for the six months ended 30 June 2024 from approximately RMB103 million for the corresponding period in 2023, mainly due to the decrease in advertising expenses for the sales of properties.

### Administrative Expenses

The Group's administrative expenses decreased by 8.66% to approximately RMB348 million for the six months ended 30 June 2024 from approximately RMB381 million for the corresponding period in 2023. The change was primarily due to the adoption of cost control policy and the decrease in the staff cost of the Group.

### Finance Costs

The Group's finance costs increased by 71.89% to approximately RMB1,975 million for the six months ended 30 June 2024 from approximately RMB1,149 million for the corresponding period in 2023. The increase in finance costs was primarily due to the decrease in the amount of capitalised interests.

### Income Tax Expense

The Group's income tax expense decreased by 23.66% to approximately RMB100 million for the six months ended 30 June 2024 from approximately RMB131 million for the corresponding period in 2023. This was mainly due to the impact of the gross profit during the period.

### Liquidity, Financial Resources and Capital Structure

#### Cash Position

As at 30 June 2024, the Group's total bank balances and cash were approximately RMB1,647 million (31 December 2023: approximately RMB2,131 million), representing a decrease of 22.71% as compared to that as at 31 December 2023. A portion of the Group's cash is restricted bank deposits that are mainly restricted for use of property development.

#### Borrowings and Charges on the Group's Assets

As at 30 June 2024, the Group had aggregate borrowings, senior notes and bonds and asset-backed securities issued of approximately RMB18,313 million (31 December 2023: approximately RMB18,216 million), approximately RMB44,947 million (31 December 2023: approximately RMB42,983 million) and approximately RMB279 million (31 December 2023: RMB270 million), respectively. Amongst the borrowings, approximately RMB12,049 million (31 December 2023: approximately RMB12,835 million) will be repayable within one year and approximately RMB6,263 million (31 December 2023: approximately RMB5,381 million) will be repayable after one year. Amongst the senior notes and bonds, approximately RMB37,136 million (31 December 2023: approximately RMB35,429 million) will be repayable within one year and approximately RMB7,811 million (31 December 2023: approximately RMB7,554 million) will be repayable after one year.

As at 30 June 2024, a substantial part of the borrowings was secured by land use rights, properties and bank deposits of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group through pledging their shares.

#### Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank balances and borrowings, the Group does not have any other material direct exposure to foreign exchange fluctuations.

### Commitments

As at 30 June 2024, the Group had committed payment for the construction of investment properties and property, plant and equipment and equity acquisition amounting to approximately RMB541 million (31 December 2023: RMB1,102 million), respectively.

### Contingent Liabilities

- (a) As of 30 June 2024, the Group had provided guarantees amounting to approximately RMB6,321 million (31 December 2023: approximately RMB6,213 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate.
- (b) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2024, the Group's aggregate shares of such guarantees provided in respect of loans borrowed by these joint ventures amounted to approximately RMB1,899 million (31 December 2023: RMB1,899 million) and associates amounted to approximately RMB2,320 million (31 December 2023: RMB3,188 million).

In the opinion of the Directors, the possibility of the default of the purchasers is remote and the fair value of guarantee contracts is insignificant at the inception and at the end of each reporting date.

### Employees and Remuneration Policies

As at 30 June 2024, excluding the employees of communities managed on a commission basis, the Group had approximately 16,827 employees (31 December 2023: approximately 19,712 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing market practice. Besides salary payments, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees), a discretionary bonus program and a share option scheme.

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) of the Company, which will have 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 he is taken or deemed to have under such provisions of the SFO) or which will be required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

## (i) Long positions in the shares and underlying shares of the Company:

Director	Nature of interest	Interest in ordinary shares of the Company	Interest in underlying Shares of the Company	Approximate percentage of interest in the Company as at 30 June 2024
Ms. Zeng Jie, Baby	Interest of controlled corporation	3,314,090,500	–	57.41%

## Notes:

- (1) Fantasy Pearl International Limited ("Fantasy Pearl") is owned as to 80% by Ice Apex Limited ("Ice Apex") and 20% by Graceful Star Overseas Limited ("Graceful Star"). Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at 30 June 2024, the number of issued shares of the Company was 5,772,597,864.

## (ii) Long positions in the debentures of the Company:

Name of Director	Nature of interest	Debentures that are interested in	Principal amount of the debentures held	Approximate percentage of the interest in the debentures as at 30 June 2024
Ms. Zeng Jie, Baby	Interest of controlled corporation	9.875% senior notes due 2023 issued by the Company	US\$3,000,000	0.94%
	Interest of controlled corporation	10.875% senior notes due 2024 issued by the Company	US\$4,000,000	1.6%
Mr. Guo Shaomu	Beneficial owner	7.95% senior notes due 2022 issued by the Company	US\$200,000	0.067%

## Notes:

- (1) The debentures are held by Fantasy Pearl, which is indirectly owned as to 80% by Ms. Zeng Jie, Baby.
- (2) These comprise: (i) US\$2,000,000 held by Fantasy Pearl; and (ii) US\$2,000,000 held by Baocollection Limited, a company wholly owned by Ms. Zeng Jie, Baby.

(iii) Long positions in associated corporations:

A. Fantasy Pearl

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2024
Ms. Zeng Jie, Baby	Interest of controlled corporation	80	Ordinary	80%

Notes:

- (1) These shares are held by Ice Apex, which is wholly owned by Ms. Zeng Jie, Baby.

B. Colour Life Services Group Co., Limited (“Colour Life”)

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2024
Ms. Zeng Jie, Baby	Interest of controlled corporation <sup>(1)(2)(3)</sup>	1,013,643,318	Ordinary	68.14%

Note:

- (1) The interests are held as to 780,104,676 shares by the Company, as to 231,235,846 shares by Splendid Fortune Enterprise Limited (“Splendid Fortune”) and as to 2,302,796 shares by Fantasy Pearl.
- (2) The Company is owned as to 57.41% by Fantasy Pearl, which is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by the Company for the purpose of Part XV of the SFO.
- (3) Splendid Fortune is 67.36% owned by Fantasy Pearl and 32.64% owned by Colour Success Limited. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by Splendid Fortune for the purpose of Part XV of the SFO.
- (4) These represent share options granted by Colour Life subject to vesting schedules.
- (5) These represents shares beneficially owned by Mr. Zhu Guogang.



Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Nature of interest	Number of shares	Approximate percentage of interest in our Company as at 30 June 2024
Fantasy Pearl	Beneficial owner	3,314,090,500 (L)	57.41%
Ice Apex <sup>(1)</sup>	Interest of controlled corporation	3,314,090,500 (L)	57.41%
TCL Industries Holdings Co., Ltd. <sup>(2)</sup> (formerly known as TCL Industrial Holdings (Guangdong) Co., Ltd.)	Interest of controlled corporation	1,012,740,000 (L)	17.54%

(L) denotes long position

Notes:

- (1) Fantasy Pearl is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at 30 June 2024, Li Rong Development Limited held 1,012,740,000 shares of the Company representing 17.54% interest in the Company. Li Rong Development Limited is wholly owned by TCL Industries Holdings (H.K.) Limited which is in turn wholly owned by TCL Industries Holdings Co., Ltd.. TCL Industries Holdings Co., Ltd. is deemed to be interested in the shares held by Li Rong Development Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as of 30 June 2024, no other shareholder, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

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

## AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, including Mr. Kwok Chi Shing (Chairman of the Audit Committee), Mr. Guo Shaomu and Mr. Ma Yu-heng. The Audit Committee together with the management of the Company have reviewed the accounting policies and practices adopted by the Group and discussed, among other things, the internal controls and financial reporting matters including a review of the unaudited interim results for the Period. The external auditors of the Company have also reviewed the unaudited interim results for the Period.

## REMUNERATION COMMITTEE

The Company has established the remuneration committee (the "Remuneration Committee") in compliance with the Listing Rules 3.25 and 3.26. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Remuneration Committee on 12 March 2012. The revised terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The remuneration committee currently comprises one executive Director, Ms. Cheng Jianli, and three independent non-executive Directors, including Mr. Guo Shaomu (Chairman of the Remuneration Committee), Mr. Kwok Chi Shing and Mr. Ma Yu-heng. The remuneration committee is responsible for making recommendations to the Board on the Company's remuneration policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

## NOMINATION COMMITTEE

The Company has established the nomination committee (the "Nomination Committee") in compliance with the Listing Rules to fulfill the functions of reviewing the structure of and nominating suitable candidates to the Board. In order to comply with the Corporate Governance Code, the Board adopted a revised terms of reference of the Nomination Committee on 30 August 2013 and 27 March 2019. The revised terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee currently comprises one executive Director, including Ms. Cheng Jianli (Chairman of Nomination Committee), one non-executive Director, including Ms. Zeng Jie, Baby; and three independent non-executive Directors, including Mr. Guo Shaomu, Mr. Kwok Chi Shing and Mr. Ma Yu-heng. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment and reappointment of Directors.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (“Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company has made specific enquiry with all the Directors on whether the Directors have complied with the required standard as set out in the Model Code during the six months ended 30 June 2024 and all the Directors confirmed that they have complied with the Model Code throughout the Period.

## SHARE OPTION SCHEME

As at 30 June 2024, the Company does not have a share option scheme that is in operation and there is no outstanding share options.

Colour Life Services Group Co., Limited, a subsidiary of the Company, adopted a share option scheme on 11 June 2014 (“Colour Life Share Option Scheme”). Particulars of share options outstanding under the Colour Life Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2024 and share options granted, exercised, lapsed or cancelled under the Colour Life Share Option Scheme during such period are as follows:

Name of grantee	Date of grant	Exercise price HK\$	Number of share options				Balance as at 30 June 2024	Notes
			Balance as at 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled/lapsed during the Period		
<b>Directors of Colour Life</b>								
Mr. Liu Hongcai	29 September 2014	6.66	450	–	–	–	450	(1)
			300	–	–	–	300	(2)
	30 April 2015	11.00	168,400	–	–	–	168,400	(3)
	18 March 2016	5.764	122,000	–	–	–	122,000	(4)
Sub-total			291,150	–	–	–	291,150	
<b>Employees of the Group</b>								
	29 September 2014	6.66	4,706,550	–	–	–	4,706,550	(1)
			5,729,176	–	–	–	5,729,176	(2)&(5)
	30 April 2015	11.00	8,567,319	–	–	(86,995)	8,480,324	(3)
	18 March 2016	5.764	9,373,300	–	–	(46,000)	9,327,300	(4)
	27 November 2018	4.11	16,864,720	–	–	–	16,864,720	(6)
Sub-total			45,241,065	–	–	(132,995)	45,108,070	
<b>Total</b>			<b>45,532,215</b>	<b>–</b>	<b>–</b>	<b>(132,995)</b>	<b>45,399,220</b>	

Notes:

- (1) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the date of grant; (ii) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; and (iii) the remaining one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016. The exercise period of these share options will expire on 28 September 2024.
- (2) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 29 September 2017. The exercise period of these share options will expire on 28 September 2024.
- (3) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 30 April 2016; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 30 April 2017; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 30 April 2018. The exercise period of these share options will expire on 29 April 2025.
- (4) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 18 March 2017; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 18 March 2018; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 18 March 2019. The exercise period of these share options will expire on 17 March 2026.
- (5) The exercise period of 150,000 share options granted to Mr. Zeng Liqing, who resigned as non-executive director of Colour Life on 21 April 2015, has been extended at the discretion of the Board of Colour Life.
- (6) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 27 November 2019; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 27 November 2020; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 27 November 2021. The exercise period of these share options will expire on 17 March 2028.

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

### Senior Notes and Bonds

For the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## LATEST PROGRESS OF THE DEBT RESTRUCTURING

### (i) Offshore debts

The Company has been working closely with its legal and financial advisors to formulate a viable offshore debt restructuring plan aimed at addressing current liquidity pressure of the Company, enhancing the credit profile of the Group and protecting the interests of all stakeholders.

On 29 April 2024, the Company entered into a new restructuring support agreement (the "RSA") with a group of noteholders holding approximately 32% of the aggregate outstanding principal amount of the Existing Notes (as defined in the RSA). Further information on the RSA and the terms of the Restructuring are set out in the announcements of the Company dated 2 January 2024, 1 February 2024, 29 February 2024, 15 March 2024, 1 April 2024, 15 April 2024, 21 April 2024, 24 April 2024, 26 April 2024, 29 April 2024 and 21 May 2024.

On 29 May 2024, creditors holding an amount equivalent to 81.96% of the Company's existing debt instruments have acceded to the Restructuring Support Agreement.

### (ii) Onshore debts

Fantasia Group (China) Co., Ltd. ("Fantasia China"), a wholly-owned subsidiary of the Company, had issued 5 corporate bonds on the Shanghai Stock Exchange. Since September 2023, modified repayment arrangements were made in respect of the principal and related interests of approximately RMB7.8 billion in aggregate, where the maturity date had been extended to between 2023 and 2028. The modified arrangement was approved at the respective bondholders' meeting. On 26 February 2024, trading in 5 corporate bonds resumed from the opening of the market.

## MORE INFORMATION ON THE COMPANY'S ANNUAL REPORT 2023

References were made to the annual report of the Company for the year ended 31 December 2023 (the '2023 Annual Report'). The Company hereby provides additional information for the reference of the shareholders of the Company and potential investors.

## GOING CONCERN AND MITIGATION MEASURES

The Directors are provided with a review of the key financial information of the Group periodically.

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2023 and the condensed consolidated financial statements of the Group for the period ended 30 June 2024 which give a true and fair view of the financial position of the Group and of the operating results and cash flow for the year/period then ended. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and disclosure requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the management, and the management have prepared the consolidated financial statements of the Group on a going concern basis.

A modified opinion is included in the Management Discussion and Analysis as set out on page 8 to 9 of the 2023 Annual Report. A statement by the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is included in the Independent Auditor's Report set out on page 48 of the 2023 Annual Report. The matters described in the section headed "Basis for Disclaimer of Opinion – Multiple uncertainties relating to going concern" in the "Independent Auditor's Report" on page 47 of the 2023 Annual Report and the "Review Report of Condensed Consolidated Financial Statement" set out on page 22 of the 2024 Interim Report, the Company's independent auditor, did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2023 and the condensed consolidated financial statements of the Group for the period ended 30 June 2024. The Directors have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, among others, have proactively come up with measures to improve the Group's liquidity and financial position, details of which are set out in note 2 to the consolidated financial statements as contained in the 2023 Annual Report and note 2 to the condensed consolidated financial statements as contained in the 2024 Interim Report.

The Directors are of the opinion that, assuming the aforesaid plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due within the following twelve months from 31 December 2023 the end of the reporting periods. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis. The Audit Committee has discussed with the Board and the management regarding the going concern issue, and on the basis of the successful implementation of the measures, agreed with the position taken by the management and the Board regarding the accounting treatment adopted by the Company. The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group's management will be able to achieve its plans and measures. There is no disagreement by the Board, the management nor the Audit Committee with the position taken by the Auditor regarding the going concern issue. Further details on the material uncertainties relating to the Group's going concern and the mitigation measures are set out in note 2 to the consolidated financial statements in the 2023 Annual Report and note 2 to the condensed consolidated financial statements as contained in the 2024 Interim Report.

## Additional information with respect to impairment loss on deposits paid for potential acquisition of subsidiaries and investments in associates and joint ventures

### Valuation Method and Reason for its Adoption

The Group's impairment assessment policy on deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures was set out in note 3 to the consolidated financial statements for the year ended 31 December 2023. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount.

The Group's impairment assessment was consistent with the amounts estimated by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer. The impairment loss was disclosed in note 3 to the consolidated financial statements for the year ended 31 December 2023. Such approaches have not been changed in the preparation of the Group's financial statements for the year ended 31 December 2023. In arriving at the valuation, reference was made to generally accepted approaches to the valuation of recoverable amounts of deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures. The carrying amount of deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures was approximately RMB3,606.9 million as at 31 December 2023, after netting off the allowance of credit losses of approximately RMB987.4 million. Impairment loss of approximately RMB987.4 million for the year ended 31 December 2023 was recognised in profit or loss. As at the date of this announcement, there have been no subsequent changes to the valuation methods since 31 December 2023.

### Reasons for the Impairment

The impairment recognised for the year ended 31 December 2023 mainly represented the impairment for the deposits paid for the potential acquisition of equity interests in three project companies as detailed in the paragraph headed "Further information about the potential acquisitions" below. The major reasons were as follows: (a) slow recovery of the PRC's economy (in particular the real estate sector) in 2023. Based on the publicly available information obtained by the valuer in the process of estimating the Impairment, the market sentiment towards the buying of properties in the PRC had remained negative in 2023; (b) as the real estate market continues to be unstable, capable developers have taken a wait-and-see attitude towards taking over urban renewal projects, resulting in the failure to complete negotiations on the disposals; (c) Government approvals have slowed down due to various reasons, and construction is not expected to start in the next three years.

### Further information about the potential acquisitions

#### *Shenzhen Nanshan Project*

In September 2021, the Company entered into an agreement with Shenzhen Lexing Enterprise Consultancy Company Limited, an independent third party, with respect to the acquisition of 70% of the equity in the project company for an urban renewal project in Nanshan District, Shenzhen at a total consideration of approximately RMB1.1 billion. At that time, the project was in the stage of application to the government for demolition permit, and funds were needed for the project to proceed. The Company, in accordance with the industry norm for the acquisition of urban renewal project, paid a deposit equivalent to 30% of the consideration for the acquisition, amounting to approximately RMB339.6 million, to the project company. It was expected that the project company would complete the government planning application and the acquisition would be completed within 2 years. If the acquisition cannot be completed, the project company/original shareholders would need to refund the deposit to the Company. The Company considers that Shenzhen Nanshan Project has great development potential, and the Company could acquire the project company at a lower valuation to gain the benefits from the subsequent development of the project.

The deposit, together with borrowed funds of the project company have been fully invested into the target project. In 2024, the loan from the financial institution matured and the project company defaulted on its repayment obligation and enforcement action was taken against the project company. The project was auctioned off in 2024. After the settlement of the liabilities, there was no remaining funds available for refunding the deposit paid by the Company.

#### *Shenzhen Longgang Project*

In March 2017, the Company entered into an agreement with Shenzhen Jianian City Renovation Investment Consultancy Company Limited, an independent third party, for the acquisition of the entire equity in the project company that is involved in the grand canal development project in Longguan District, Shenzhen at a total consideration of approximately RMB1.4 billion. At that time, the project was in the demolition stage and funds were needed to pay demolition compensation. In line with industry practice, the Company paid a deposit equivalent to 25% of the consideration of the acquisition, amounting to approximately RMB346.8 million, with the plan of completing the acquisition when the project company completed the land acquisition process. If the land acquisition process cannot be completed, the project company/original shareholders need to refund the deposit to the Company. The Company considers that the Longgang District in Shenzhen has great development potential, and the Company could acquire the project company at a lower valuation to gain the benefits from the subsequent development of the project.

The project company has reached agreement with the residents on the demolition work, but progress in the sub-division application (splitting the land ownership), which involves multi-party interests and government approval, is slow. The Company will take the following steps with respect to its exiting from the Shenzhen Longgang Project: (a) continue to seek ways to exit the project, including finding investors to acquire the Group's interest in the project; and (b) accelerating the development progress of the project, with a view of finding investors to acquire the Group's interest in the project at the next stage of development.

#### *Wuhan Property Project*

In December 2020, the Company entered into an agreement with Wuhan Linshe Real Estate Co., Ltd and Wang Lei, both are independent third parties, for the acquisition of the entire equity in the project company that is involved in the renovation of a commercial project in Wuhan at a total consideration of approximately RMB1.2 billion. In line with industry practice, the Company paid a deposit equivalent to 20% of the consideration, amounting to approximately RMB240.9 million, upon the signing of the agreement, with the plan of completing the acquisition when the project company has completed its renovation registration. If the acquisition cannot be completed, the project company/original shareholders need to refund the deposit to the Company. The Company considers that Wuhan has great potential for commercial development, and the Company could acquire the project company at a lower valuation in order to gain the benefits from the subsequent development of the project.

The project company is in the process of obtaining government's approval for the renovation plan. The Company will take the following steps with respect to its exiting from the Wuhan Property Project: (a) continue to seek ways to exit the project, including finding investors to acquire the Group's interest in the project; and (b) accelerating the development progress of the project, with a view of finding investors to acquire the Group's interest in the project at the next stage of development.



## TO THE BOARD OF DIRECTORS OF FANTASIA HOLDINGS GROUP CO., LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fantasia Holdings Group Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 22 to 51, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Because of the multiple uncertainties and its possible effect on the interim condensed consolidated financial information described in the “Basis for Disclaimer of Conclusion” section of our report, we do not express a conclusion on the interim financial information.

### BASIS FOR DISCLAIMER OF CONCLUSION

#### Multiple Uncertainties Relating to Going Concern

As set out in Note 2 to the condensed consolidated financial statements, the Group incurred net loss of RMB3,151,929,000 for the period ended 30 June 2024. As at 30 June 2024, the Group’s net current liabilities amounted to RMB8,013,336,000 and net liabilities amounted to RMB5,183,809,000.

As at 30 June 2024, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB39,326,601,000 according to their scheduled repayment dates. As a result, as at 30 June 2024, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) with the aggregate principal amount of about RMB39,782,697,000 had become default or cross default. Subsequent to 30 June 2024, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These conditions, together with other matters disclosed in note 2 to the condensed consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group’s liquidity and financial position, which are set out in note 2 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the offshore debt restructuring; (ii) successfully carrying out the Group’s business strategy plan including the acceleration of the sales of properties; (iii) successfully obtaining of additional new sources of financing as and when needed; (iv) successfully disposing of the Group’s equity interest in project development companies when suitable; and (v) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses.



Should the Group be unable to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

#### Disclaimer of Conclusion

Because of the multiple uncertainties related to going concern and its possible cumulative effect on these interim condensed consolidated financial statements described in the "Basis for Disclaimer of Conclusion" section of our report, we do not express a conclusion on the interim financial information.

**Prism Hong Kong Limited**

*Certified Public Accountants*

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

29 August 2024

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue			
Contracts with customers	4	1,526,557	3,918,519
Leases		114,723	101,642
Total revenue	5	1,641,280	4,020,161
Cost of sales and services		(1,279,197)	(3,444,077)
Gross profit		362,083	576,084
Other income		14,818	27,436
Other gains and losses		(344,185)	(1,296,493)
Impairment losses under expected credit loss model, net of reversal	19	(183,171)	(86,639)
Change in fair value of investment properties	12	(51,385)	(93,584)
Write-down on properties for sales	15	(499,873)	(180,092)
Selling and distribution expenses		(44,062)	(103,380)
Administrative expenses		(347,727)	(381,169)
Finance costs		(1,975,237)	(1,149,179)
Share of results of associates		(36,221)	15,142
Share of results of joint ventures		52,580	(2,646)
Loss before tax		(3,052,380)	(2,674,520)
Income taxation	6	(99,549)	(130,790)
Loss for the period	7	(3,151,929)	(2,805,310)
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified subsequently to profit or loss:			
Fair value change on equity instruments designated at fair value through other comprehensive income ("FVTOCI")		602	(4,473)
Deferred taxation effect		(151)	1,118
Other comprehensive income/(expense) for the period, net of income tax		451	(3,355)
Total comprehensive expense for the period		(3,151,478)	(2,808,665)
(Loss)/profit for the period attributable to:			
Owners of the Company		(3,161,480)	(2,708,135)
Other non-controlling interests		9,551	(97,175)
		(3,151,929)	(2,805,310)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(3,161,252)	(2,709,879)
Other non-controlling interests		9,774	(98,786)
		(3,151,478)	(2,808,665)
Loss per share – basic (RMB cents)	9	(54.77)	(46.91)
Loss per share – diluted (RMB cents)	9	(54.77)	(46.91)

# Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	707,624	1,008,052
Right-of-use assets	11	322,552	350,737
Investment properties	12	6,717,357	6,739,261
Interests in associates		1,194,692	1,266,765
Interests in joint ventures		2,779,204	2,726,624
Equity instruments designated at FVTOCI		13,884	13,282
Goodwill	13	922,032	923,051
Intangible assets	14	12,043	14,695
Other receivables	17	197,566	341,255
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	18	3,407,572	3,606,867
Deferred tax assets		997,222	1,005,636
		<b>17,271,748</b>	17,996,225
<b>CURRENT ASSETS</b>			
Properties for sale	15	38,854,618	37,247,690
Contract assets	16	21,496	32,328
Contract costs		47,914	45,543
Trade and other receivables	17	12,002,079	12,505,601
Tax recoverable		645,808	633,519
Amounts due from related parties	29(a)	6,249,647	7,128,088
Restricted/pledged bank deposits		703,068	866,336
Bank balances and cash		943,680	1,264,764
		<b>59,468,310</b>	59,723,869
		<b>76,740,058</b>	77,720,094

## Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	7,648,819	7,499,634
Contract liabilities		3,381,206	3,280,117
Amounts due to related parties	29(a)	205,933	303,483
Tax liabilities		6,750,997	6,764,727
Borrowings due within one year	21	12,049,398	12,834,961
Lease liabilities due within one year		29,710	30,020
Senior notes and bonds due within one year	22	37,136,085	35,428,805
Asset-backed securities issued due within one year	23	279,498	270,394
		<b>67,481,646</b>	66,412,141
<b>NET CURRENT LIABILITIES</b>		<b>(8,013,336)</b>	(6,688,272)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,258,412</b>	11,307,953
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		279,424	297,433
Borrowings due after one year	21	6,263,420	5,380,899
Lease liabilities due after one year		88,875	99,934
Senior notes and bonds due after one year	22	7,810,502	7,554,299
		<b>14,442,221</b>	13,332,565
<b>NET LIABILITIES</b>		<b>(5,183,809)</b>	(2,024,612)
<b>CAPITAL AND RESERVES</b>			
Share capital	24	498,787	498,787
Reserves		(9,097,833)	(5,933,073)
Equity attributable to owners of the Company		<b>(8,599,046)</b>	(5,434,286)
Non-controlling interests		3,415,237	3,409,674
		<b>(5,183,809)</b>	(2,024,612)

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company									Attributable to non-controlling interests			
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 (note a)	Share-based payments reserve RMB'000 (note b)	Contribution reserve RMB'000 (note c)	Statutory reserve and discretionary reserve RMB'000 (note d)	Revaluation reserve RMB'000 (note e)	Accumulated losses RMB'000	Sub-total RMB'000	Share-based payments reserve of Colour Life RMB'000	Other non-controlling interests RMB'000	Subtotal RMB'000	Total RMB'000
At 1 January 2024 (Audited)	498,787	550,006	2,178,467	13,860	40,600	379,095	(1,334)	(9,093,767)	(5,434,286)	243,034	3,166,640	3,409,674	(2,024,612)
(Loss) profit for the period	-	-	-	-	-	-	-	(3,161,480)	(3,161,480)	-	9,551	9,551	(3,151,929)
Fair value change on equity instruments designated at FVTOCI	-	-	-	-	-	-	305	-	305	-	297	297	602
Deferred taxation effect	-	-	-	-	-	-	(77)	-	(77)	-	(74)	(74)	(151)
Other comprehensive income for the period	-	-	-	-	-	-	228	-	228	-	223	223	451
Total comprehensive income (expense) for the period	-	-	-	-	-	-	228	(3,161,480)	(3,161,252)	-	9,774	9,774	(3,151,478)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,165)	(5,165)	(5,165)
Acquisition of additional interests in subsidiaries from non-controlling shareholders	-	-	(3,508)	-	-	-	-	-	(3,508)	-	(405)	(405)	(3,913)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	1,359	1,359	1,359
Transfer	-	-	-	-	-	9,079	-	(9,079)	-	-	-	-	-
At 30 June 2024 (Unaudited)	498,787	550,006	2,174,959	13,860	40,600	388,174	(1,106)	(12,264,326)	(8,599,046)	243,034	3,172,203	3,415,237	(5,183,809)
At 1 January 2023 (Audited)	498,787	550,006	2,178,467	13,860	40,600	375,430	891	(2,602,062)	1,055,979	243,034	3,276,515	3,519,549	4,575,528
Loss for the period	-	-	-	-	-	-	-	(2,708,135)	(2,708,135)	-	(97,175)	(97,175)	(2,805,310)
Fair value change on equity instruments designated at FVTOCI	-	-	-	-	-	-	(2,326)	-	(2,326)	-	(2,147)	(2,147)	(4,473)
Deferred taxation effect	-	-	-	-	-	-	581	-	581	-	537	537	1,118
Other comprehensive expense for the period	-	-	-	-	-	-	(1,745)	-	(1,745)	-	(1,610)	(1,610)	(3,355)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,745)	(2,708,135)	(2,709,880)	-	(98,785)	(98,785)	(2,808,665)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(4,934)	(4,934)	(4,934)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(347)	(347)	(347)
Transfer	-	-	-	-	-	1,983	-	(1,983)	-	-	-	-	-
At 30 June 2023 (Unaudited)	498,787	550,006	2,178,467	13,860	40,600	377,413	(854)	(5,312,180)	(1,653,901)	243,034	3,172,449	3,415,483	1,761,582

**Notes:**

- (a) Special reserve arising from the acquisition or disposal of equity interests in subsidiaries without loss of control. It represented the difference between the consideration paid or received and the adjustment to the non-controlling interests in subsidiaries after re-attribution.
- (b) Share-based payments reserve represented the share-based payments under share option schemes of the Company and Colour Life Service Group Co., Limited ("Colour Life"), which is a non-wholly owned subsidiary of the Company.
- (c) Contribution reserve represented (a) the contribution/distribution to shareholders during the group reorganisation in 2009; (b) the difference between consideration paid and fair value of net assets acquired from related parties; (c) the difference between the consideration received and carrying amount of net assets disposed to related parties during the Group reorganisation in 2009; and (d) the waiver of shareholder loans in 2009.
- (d) The statutory reserve and discretionary reserve attributable to subsidiaries in the People's Republic of China (the "PRC") are non-distributable. Transfers to these reserves are determined by the board of directors or the shareholders' meeting of the PRC subsidiaries in accordance with the relevant laws and regulations of the PRC until the reserve reaches 50% of the registered capital. These reserves can be used to offset accumulated losses, expand the scale of production and business and transfer to capital upon approval from relevant authorities.
- (e) Revaluation reserve mainly represented surplus arose from (a) the transfer of owner-occupied property to investment properties at the date of change in use; and (b) the accumulated changes in fair value of the equity instruments designated at FVTOCI, net of income tax effect.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Cash used in operations	(467,121)	(622,462)
Income tax paid	(135,314)	(66,604)
Interest paid	(10,993)	(31,653)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(613,428)</b>	<b>(720,719)</b>
<b>INVESTING ACTIVITIES</b>		
Placement of restricted/pledged bank deposits	(166,948)	(2,187,731)
Withdrawal of restricted/pledged bank deposits	330,216	2,561,800
Settlement of consideration receivables of disposal of subsidiaries	–	92,839
Purchases of property, plant and equipment	(42,551)	(19,596)
Net proceeds from disposal of property, plant and equipment and early termination of lease contracts	239,834	39,317
Additions to investment properties	(29,833)	(16,258)
Proceeds from disposal of investment properties	250	–
Acquisition and capital injection to associates and joint ventures	–	(629)
Deposit refunded for acquisition of subsidiaries	–	2,091
Deposits paid for potential acquisition of subsidiaries and investments in associates and joint ventures	(1,100)	–
Disposal of subsidiaries (net of cash and cash equivalent disposed of)	–	(7,644)
Settlement of consideration payables on equity investments	(1,286)	–
Interest received	4,672	9,831
Disposal of associates and joint ventures	1,049	–
Repayment of loan receivables	–	8,033
Advances to related parties	(13,406)	(859,185)
Repayment from related parties	13,636	1,106,179
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>334,533</b>	<b>729,047</b>

For the six months ended 30 June 2024

	NOTE	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>FINANCING ACTIVITIES</b>			
New borrowings raised	21	<b>174,862</b>	171,616
Repayment of borrowings	21	<b>(99,459)</b>	(102,205)
Repayment of lease liabilities		<b>(16,932)</b>	(33,860)
Dividend paid to non-controlling shareholders of the subsidiaries		<b>(5,165)</b>	(4,934)
Advances from related parties		<b>5,093</b>	670,821
Repayments to related parties		<b>(102,222)</b>	(698,011)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(43,823)</b>	3,427
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(322,718)</b>	11,755
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>			
<b>OF THE PERIOD</b>		<b>1,264,764</b>	1,164,432
Effect of foreign exchange rate changes		<b>1,634</b>	7,099
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD,</b>			
<b>represented by bank balances and cash</b>		<b>943,680</b>	1,183,286

## 1. BASIS OF PREPARATION

The condensed consolidated 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 (the “HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. GOING CONCERN BASIS

For the period ended 30 June 2024, the Group incurred net loss of RMB3,151,929,000. As at 30 June 2024, the Group’s net current liabilities amounted to RMB8,013,336,000 and net liabilities amounted to RMB5,183,809,000.

As at 30 June 2024, the Group did not repay certain interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) of approximately RMB39,326,601,000 according to their scheduled repayment dates. As a result, as at 30 June 2024, interest-bearing liabilities (including bank and other borrowings, senior notes and bonds) with the aggregate principal amount of about RMB39,782,697,000 had become default or cross default. Subsequent to 30 June 2024, the Group did not repay certain interest-bearing liabilities according to the scheduled repayment dates. These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and performance of the Group and the Group’s available sources of financing and have considered the Group’s cash flow projections prepared by the management for a period of not less than 12 months from the date of reporting period. The following plans and measures have been formulated with the objective to mitigate the liquidity pressure of the Group:

- The Company has appointed Houlihan Lokey (China) Limited as its financial adviser for its offshore debt restructuring. The Group is actively in discussions with the existing lenders on the renewal of certain of the Group’s borrowings. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to the ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address upcoming financial obligations and future operating cash flow requirements whilst engaging with existing lenders;
- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and trade receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to the changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows; and
- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.



For the six months ended 30 June 2024

## 2. GOING CONCERN BASIS (continued)

The Directors, taking into account the above plans and measures, are of the opinion that, they are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the period ended 30 June 2024 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain support from the Group's creditors, material uncertainties exist as to whether or not the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements of the Group for the period ended 30 June 2024.

## 3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

### Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied the following amendments to HKFRSs issued by HKICPA, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to HKFRS 16	<i>Lease liability in Sale and leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>

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

#### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

##### Disaggregation of revenue from contracts with customers

Segment	For the period ended 30 June 2024					Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)		
<b>Types of goods and services</b>						
<i>Property development</i>						
Sales of completed properties	166,188	–	–	–		166,188
<i>Property agency services</i>						
Provision of property agency services	–	2,678	–	–		2,678
<i>Property operation services</i>						
Provision of property management services	–	–	1,287,440	–		1,287,440
Provision of value-added services	–	–	40,933	–		40,933
Provision of engineering services	–	–	3,713	–		3,713
<i>Hotel operations</i>						
Provision of hotel accommodation services	–	–	–	25,605		25,605
	166,188	2,678	1,332,086	25,605		1,526,557
<b>Timing of revenue recognition</b>						
A point in time	166,188	2,678	5,784	–		174,650
Over time	–	–	1,326,302	25,605		1,351,907
	166,188	2,678	1,332,086	25,605		1,526,557

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

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue disclosed in segment information	166,188	114,723	2,678	1,333,711	25,605	1,642,905
Elimination	–	–	–	(1,625)	–	(1,625)
Leases	–	(114,723)	–	–	–	(114,723)
Revenue from contracts with customers	166,188	–	2,678	1,332,086	25,605	1,526,557

For the six months ended 30 June 2024

## 4. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

## Disaggregation of revenue from contracts with customers (continued)

Segment	For the period ended 30 June 2023					Total RMB'000 (Unaudited)
	Property development RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)		
	<b>Types of goods and services</b>					
<i>Property development</i>						
Sales of completed properties	2,720,132	–	–	–	2,720,132	
<i>Property agency services</i>						
Provision of property agency services	–	767	–	–	767	
<i>Property operation services</i>						
Provision of property management services	–	–	1,037,916	–	1,037,916	
Provision of value-added services	–	–	31,757	–	31,757	
Provision of engineering services	–	–	103,856	–	103,856	
<i>Hotel operations</i>						
Provision of hotel accommodation services	–	–	–	24,091	24,091	
	2,720,132	767	1,173,529	24,091	3,918,519	
<b>Timing of revenue recognition</b>						
A point in time	2,720,132	767	6,610	–	2,727,509	
Over time	–	–	1,166,919	24,091	1,191,010	
	2,720,132	767	1,173,529	24,091	3,918,519	

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

Segment	Property development RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Property agency services RMB'000 (Unaudited)	Property operation services RMB'000 (Unaudited)	Hotel operations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Revenue disclosed in segment information</b>	2,720,132	101,642	767	1,193,986	24,091	4,040,618
Elimination	–	–	–	(20,457)	–	(20,457)
Leases	–	(101,642)	–	–	–	(101,642)
<b>Revenue from contracts with customers</b>	2,720,132	–	767	1,173,529	24,091	3,918,519

## 5. SEGMENT INFORMATION

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

### Six months ended 30 June 2024

Segment revenue (Unaudited)	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Total RMB'000
Segment revenues	166,188	114,723	2,678	1,333,711	25,605	1,642,905
Segment results	(808,078)	(30,909)	(4,089)	142,076	(80,653)	(781,653)

### Six months ended 30 June 2023

Segment revenue (Unaudited)	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Total RMB'000
Segment revenues	2,720,132	101,642	767	1,193,986	24,091	4,040,618
Segment results	(253,647)	8,058	(695)	50,182	(7,971)	(204,073)

Note: For the six months ended 30 June 2024, others are engaged in provision of property project management services.

Segment (loss) profit represents the profit earned or loss incurred by each segment without allocation of exchange loss, interest income, share of results of associates and joint ventures, gain (loss) on disposal of subsidiaries, associates and joint ventures, certain other income, gains and losses, finance costs, central administration costs and directors' salaries. This is the measure reported to the directors of the Company, chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

For the six months ended 30 June 2024

## 5. SEGMENT INFORMATION (continued)

Reconciliation:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue:		
Total revenue for operating and reportable segments	1,642,905	4,040,618
Elimination of inter-segment revenues	(1,625)	(20,457)
Group's total revenue	<b>1,641,280</b>	4,020,161
Total segment results	<b>(781,653)</b>	(204,073)
Unallocated amounts:		
Interest income	4,672	9,831
Net exchange loss	(247,893)	(1,279,260)
Finance costs	(1,975,237)	(1,149,179)
Share of results of associates and joint ventures	16,359	12,496
Net loss on disposal of subsidiaries, associates and joint ventures	(38,042)	(35,524)
Other unallocated gains and losses	1,560	(871)
Other unallocated expenses	(32,146)	(27,940)
Loss before tax	<b>(3,052,380)</b>	(2,674,520)

## 5. SEGMENT INFORMATION (continued)

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Property development	48,499,638	48,600,546
Property investment	6,717,357	6,739,261
Property agency services	11,677	10,939
Property operation services	5,779,057	4,708,873
Hotel operations	394,807	582,426
Total segment assets	<b>61,402,536</b>	60,642,045
Total unallocated assets	<b>15,337,522</b>	17,078,049
Group's total assets	<b>76,740,058</b>	77,720,094

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, equity instruments designated at FVTOCI, deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures, amounts due from related parties, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

## 6. INCOME TAXATION

	<b>Six months ended 30 June</b>	
	<b>2024 RMB'000 (Unaudited)</b>	<b>2023 RMB'000 (Unaudited)</b>
Current tax in the PRC		
Enterprise income tax	73,397	60,923
Land appreciation tax	35,898	84,077
	<b>109,295</b>	145,000
Deferred tax		
Credit to profit and loss	(9,746)	(14,210)
	<b>99,549</b>	130,790

For the six months ended 30 June 2024

## 7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after (crediting)/charging:		
Government grant and partial exemption of PRC value-added tax (included in other income)	(4,122)	(6,083)
Interest income (included in other income)	(4,672)	(9,831)
Net exchange loss	247,893	1,279,260
Loss on disposal of subsidiaries, net (note b)	3,055	15,752
Net loss on disposal of associates and joint ventures (included in other gains and losses)	34,987	19,772
Loss on disposal of property, plant and equipment and early termination of lease contracts (included in other gains and losses)	47,585	22,891
Depreciation of property, plant and equipment (note 10)	55,552	79,840
Depreciation of right-of-use assets (note 11)	28,248	33,709
Amortisation of intangible assets (note 14)	2,652	4,776
Write-down of properties for sales (note a)	499,873	180,092
Staff costs	536,905	877,014

Notes:

- (a) During the six months ended 30 June 2024, mainly due to the combined impact of multiple unfavourable factors in macroeconomic, industry and financing environments, a provision for impairment loss on properties for sale of RMB499,873,000 (six months ended 30 June 2023: RMB180,092,000) was recognised to reflect the decrease in relevant net realisable value.

The net realisable value is determined by reference to the estimated selling prices of the properties for sale, which takes into account a number of factors including the latest market prices of similar property types in the same project or by similar properties, and the prevailing real estate market conditions in the PRC, less estimated selling expenses and estimated cost to completion. The net realisable value were arrived at on the basis of a valuation carried out by the management.

- (b) During the period ended 30 June 2024, the Group disposed certain subsidiaries at insignificant consideration in aggregate, after consideration of the impact of the net assets disposed of and non-controlling interests, the net loss on disposal of subsidiaries were approximately RMB3,055,000.

During the period ended 30 June 2023, the Group disposed certain subsidiaries at insignificant consideration in aggregate, after consideration of the impact of the net assets disposed of and non-controlling interests, the net loss on disposal of subsidiaries were RMB15,752,000.

## 8. DIVIDENDS

During the six months ended 30 June 2024, no dividend in respect of the year ended 31 December 2023 was declared.

The directors of the Company do not recommend the payment of an interim dividend for both the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 9. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Loss for the period:</b>		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	(3,161,480)	(2,708,135)
<b>Number of shares ('000):</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,772,598	5,772,598

For the six months ended 30 June 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

## 10. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the six months ended 30 June 2024 are summarised as follows:

	RMB'000
At 1 January 2024 (Audited)	1,008,052
Additions	42,551
Disposals	(287,419)
Disposal of subsidiaries	(8)
Depreciation for the period	(55,552)
At 30 June 2024 (Unaudited)	707,624

## 11. RIGHT-OF-USE ASSETS

The movements in right-of-use assets during the six months ended 30 June 2024 are summarised as follows:

	RMB'000
At 1 January 2024 (Audited)	350,737
Inception of lease	63
Depreciation for the period	(28,248)
At 30 June 2024 (Unaudited)	322,552



For the six months ended 30 June 2024

## 12. INVESTMENT PROPERTIES

The movements in investment properties during the six months ended 30 June 2024 are summarised as follows:

	<b>RMB'000</b>
At 1 January 2024 (Audited)	6,739,261
Additions	29,833
Net change in fair value recognised in profit or loss	(51,385)
Disposals	(352)
At 30 June 2024 (Unaudited)	6,717,357

As at 30 June 2024, the fair value of the Group's completed investment properties was amounting to RMB5,354,833,000 (31 December 2023: RMB5,406,153,000) and investment properties under development was amounting to RMB1,362,524,000 (31 December 2023: RMB1,333,108,000).

## 13. GOODWILL

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Property Operation CGU	<b>922,032</b>	923,051

During the period ended 30 June 2024, the Group acquired certain subsidiaries at insignificant considerations in aggregate, after consideration of the impact of net assets acquired, goodwill amounting to approximately RMB2,541,000 was arose on the aforesaid acquisitions.

During the period ended 30 June 2024, the Group disposed certain subsidiaries at insignificant considerations in aggregate, after consideration of the impact of net assets disposed of (including goodwill amounting to RMB3,560,000) and non-controlling interests, the net loss on disposal of the aforesaid subsidiaries were RMB3,055,000.

For the purpose of impairment testing, goodwill above has comprised a group of subsidiaries in property operation services collectively as the property operation cash-generating units ("Property Operation CGU").

The recoverable amounts of Property Operation CGU have been determined based on a value in use calculation. The calculation uses cash flow projection based on financial budgets approved by the management covering a five-year period, including the growth rates, the pre-tax discount rates, estimated revenue, estimated gross profit, estimated operating expenses as at 30 June 2024 and 31 December 2023.

### 13. GOODWILL (continued)

The discount rates reflect specific risks relating to Property Operation CGU. The growth rates within the five-year period have been based on past experience and management's expectation of market development. The cash flows beyond the five-year period are extrapolated using zero growth rate.

	<b>30 June 2024</b>	<b>31 December 2023</b>
Pre-tax discount rates	<b>14.3%</b>	15.3%
Growth rate within the five-year period	<b>2% - 6%</b>	2% - 8%

The management of the Group believes that any reasonably possible change in the key estimation of the value-in-use calculation would not cause the carrying amounts of Property Operation CGU to exceed its recoverable amounts.

### 14. INTANGIBLE ASSETS

The movements in intangible assets during the six months ended 30 June 2024 are summarised as follows:

	<b>RMB'000</b>
At 1 January 2024 (Audited)	14,695
Amortisation of intangible assets	(2,652)
At 30 June 2024 (Unaudited)	12,043

The intangible assets represent the property management contracts and customers' relationship were acquired from third parties through business combination.

### 15. PROPERTIES FOR SALE

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Completed properties for sale	<b>12,534,260</b>	12,684,430
Properties under development for sale	<b>35,510,653</b>	33,253,682
	<b>48,044,913</b>	45,938,112
Less: Provisions for net realisable value	<b>(9,190,295)</b>	(8,690,422)
	<b>38,854,618</b>	37,247,690

For the six months ended 30 June 2024, a provision for impairment loss on properties for sales of RMB499,873,000 was recognised to reflect the change in relevant net realisable value (six months ended 30 June 2023: RMB180,092,000).

For the six months ended 30 June 2024

## 16. CONTRACT ASSETS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Unbilled revenue of engineering services	52,274	63,102
Less: allowance for impairment losses	(30,778)	(30,774)
	<b>21,496</b>	<b>32,328</b>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional upon the satisfaction by engineering services rendered by the Group. The amounts are transferred out of contract assets to trade receivables when the rights become unconditional.

Details of the impairment assessment are set out in note 19.

## 17. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Trade receivables		
– contracts with customers	1,607,898	1,749,966
– leasing	40,906	47,815
Other receivables	2,906,831	3,026,418
Loan receivables	126,864	141,939
Prepayments and other deposits	2,313,048	2,307,892
Prepayments to suppliers	376,884	418,172
Prepayments for construction work	1,296,660	1,333,405
Consideration receivables on disposal of equity interests in subsidiaries and an associate	2,900,982	3,100,982
Amount due from Pixian Government	67,810	77,830
Other tax prepayments	561,762	642,437
	<b>12,199,645</b>	<b>12,846,856</b>
Less: Amounts shown under non-current assets	(197,566)	(341,255)
Amounts shown under current assets	<b>12,002,079</b>	<b>12,505,601</b>

## 17. TRADE AND OTHER RECEIVABLES (continued)

Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements, normally within 90 days from the date of agreement.

Property operation service fee is received in accordance with the terms of the relevant service agreements, normally within 30 days to 1 year after the issuance of demand note. Each customer from property operation services has a designated credit limit.

Hotel operation and travel agency service income are mainly in form of settlement in cash and credit cards.

Rental income from investment properties is received in accordance with the terms of the relevant lease agreements, normally within 30 days from the issuance of invoices.

The following is an aged analysis of trade receivables of the Group net of allowance for impairment losses presented based on the date of delivery of the properties to the customers for property sale or the invoice date or date of demand note for rendering of services at the end of the reporting period:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
0 to 30 days	794,155	1,223,159
31 to 90 days	216,605	121,398
91 to 180 days	177,782	130,076
181 to 365 days	223,731	125,607
Over 1 year	236,531	197,541
	<b>1,648,804</b>	<b>1,797,781</b>

Details of the impairment assessment are set out in note 19.

For the six months ended 30 June 2024

## 18. DEPOSITS PAID FOR POTENTIAL ACQUISITIONS OF SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at 30 June 2024, the Group had made deposits of RMB4,394,936,000 (31 December 2023: RMB4,594,231,000), in aggregate, in relation to the investments in certain companies and certain associates and joint ventures. After taking the provision for impairment loss on deposits paid for potential acquisition of equity interests of RMB987,364,000 (31 December 2023: RMB987,364,000), the carrying amounts of the deposits was RMB3,407,572,000 (31 December 2023: RMB3,606,867,000).

## 19. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment loss recognised on		
– trade and other receivables	(181,878)	(86,639)
– amount due from a related party	(1,289)	–
– contract assets	(4)	–
	<b>(183,171)</b>	<b>(86,639)</b>

The balances of other receivables (excluding payments on behalf of residents), amounts due from non-controlling shareholders of the subsidiaries of the Company, joint ventures, associates and related parties are all not past due. In the opinion of the directors of the Company, the risk of default by these counterparties is not significant and thus the Group assessed that the ECL on these balances at 30 June 2024 and 2023 are insignificant.

## 20. TRADE AND OTHER PAYABLES

	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables	3,010,011	3,042,528
Deposit received	244,651	289,129
Other tax payables	572,074	771,836
Accrued staff costs	191,903	195,379
Other payables and accruals	3,630,180	3,200,762
	<b>7,648,819</b>	<b>7,499,634</b>

## 20. TRADE AND OTHER PAYABLES (continued)

Trade payables principally comprise amounts outstanding for purchase of materials and subcontracting fee for the construction of properties for sale. The average credit period for purchase of construction materials and settlement of subcontracting fee ranged from two months to one year.

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
0 to 60 days	1,691,761	1,689,652
61 to 180 days	873,621	866,140
181 to 365 days	298,632	305,885
1 – 2 years	136,721	170,077
2 – 3 years	9,276	10,774
	<b>3,010,011</b>	<b>3,042,528</b>

## 21. BORROWINGS

During the six months ended 30 June 2024, new borrowing amounting to RMB174,862,000 (six months ended 30 June 2023: RMB171,616,000) was obtained by the Group and borrowings amounting to RMB99,459,000 (six months ended 30 June 2023: RMB102,205,000) was repaid by the Group.

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Secured	17,865,924	17,771,955
Unsecured	446,894	443,905
	<b>18,312,818</b>	<b>18,215,860</b>
Less: Amounts shown under current liabilities	<b>(12,049,398)</b>	<b>(12,834,961)</b>
Amounts shown under non-current liabilities	<b>6,263,420</b>	<b>5,380,899</b>

The borrowings represented loans from bank, other facilities and related companies. Certain borrowings were secured by properties for sale, investment properties, pledged bank deposits and property, plant and equipment. Details are set out in note 28.

For the six months ended 30 June 2024

## 22. SENIOR NOTES AND BONDS

Senior notes and bonds	Maturity	Principal '000	Nominal interest rate	Effective interest rate	Carrying amount at	
					30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Senior notes:</b>						
2016 USD500 million senior notes due 2021	5 years	USD500,000	7.38%	7.70%	1,815,694	1,751,121
2017 USD300 million senior notes due 2022	5 years	USD300,000	7.95%	8.26%	2,634,468	2,534,634
2018 USD200 million senior notes due 2021	3 years	USD200,000	15.00%	15.64%	2,063,433	1,945,629
2019 USD100 million senior notes due 2021	2 years	USD100,000	15.00%	15.51%	1,036,906	977,708
2019 USD300 million senior notes due 2022	3 years	USD300,000	11.75%	13.20%	2,917,996	2,776,957
2019 USD350 million senior notes due 2022	3 years	USD350,000	12.25%	13.83%	3,472,031	3,299,700
2020 USD450 million senior notes due 2023	3 years	USD450,000	10.88%	11.31%	4,210,038	4,013,219
2020 USD300 million senior notes due 2023	3 years	USD300,000	11.88%	12.20%	2,842,178	2,702,596
2020 USD200 million senior notes due 2022	2 years	USD200,000	7.95%	7.55%	1,763,660	1,696,826
2020 USD350 million senior notes due 2023	3 years	USD350,000	9.25%	9.46%	3,109,648	2,978,639
2020 USD320 million senior notes due 2023	3 years	USD320,000	9.88%	10.18%	2,855,150	2,731,708
2020 USD250 million senior notes due 2021	1 year	USD250,000	6.95%	7.32%	2,153,250	2,078,949
2021 USD150 million senior notes due 2023	2 years	USD150,000	11.88%	10.96%	1,460,023	1,388,320
2021 USD250 million senior notes due 2024	3 years	USD250,000	10.88%	11.72%	2,148,742	2,047,220
2021 USD50 million senior notes due 2022	1 year	USD50,000	14.50%	15.45%	500,275	471,668
2021 USD100 million senior notes due 2023	2 years	USD100,000	11.88%	14.08%	931,035	883,493
2021 USD200 million senior notes due 2024	3 years	USD200,000	14.50%	15.24%	1,177,702	1,111,738
					37,092,229	35,390,125
<b>Corporate bonds:</b>						
2018 RMB1,000 million bonds originally due 2021	5 years	RMB1,000,000	7.50%	6.59%	1,180,162	1,142,500
2019 RMB800 million bonds originally due 2022	5 years	RMB800,000	8.20%	7.40%	874,030	842,837
2019 RMB730 million bonds originally due 2022	5 years	RMB730,000	7.80%	6.82%	917,713	887,447
2020 RMB2,500 million bonds originally due 2023	5 years	RMB2,500,000	7.50%	7.15%	2,948,765	2,847,022
2020 RMB1,543 million bonds originally due 2023	5 years	RMB1,543,000	7.50%	7.17%	1,933,688	1,873,173
					7,854,358	7,592,979
					44,946,587	42,983,104
Carrying amounts repayable:						
Within one year or on demand					37,136,085	35,428,805
More than one year, but not exceeding two years					760,776	148,592
More than two years, but not exceeding five years					7,049,726	7,405,707
Less: Amounts shown under current liabilities					(37,136,085)	(35,428,805)
Amounts shown under non-current liabilities					7,810,502	7,554,299

Senior notes were issued on the Singapore Exchange Securities Trading Limited and guaranteed by certain subsidiaries of the Company. Corporate bonds were issued by Fantasia Group (China) Co., Ltd. ("Fantasia Group China"), a wholly-owned subsidiary of the Company, on Shanghai Stock Exchange ("SSE").

## 22. SENIOR NOTES AND BONDS (continued)

Based on the modification of repayment arrangements approved with bondholders' meeting of the aforesaid corporate bonds in September 2023, the maturity date in respect of the principal and related interests amounting to approximately RMB7,593 million in aggregate, had been extended to between 2023 and 2028.

As at 30 June 2024, the Group has not repaid the senior notes amounting to RMB37,092,229,000 (31 December 2023: 33,917,812,000) according to their scheduled repayment dates. As a result, all note holders have right to demand immediate repayment of the principal. As at 30 June 2024, all senior notes are classified as current liabilities.

The movements of the senior notes and bonds during the six months ended 30 June 2024 are set out below:

	<b>RMB'000</b>
At 1 January 2024 (Audited)	42,983,104
Exchange loss	227,972
Interest expenses	1,735,511
At 30 June 2024 (Unaudited)	44,946,587

## 23. ASSET-BACKED SECURITIES ISSUED

In 2021, a subsidiary of the Company issued asset-backed securities ("2021 ABS") under securitisation arrangements collateralised by the future earnings relating to the operation of carparks and guaranteed by Fantasia Group China.

The aggregate nominal value of 2021 ABS were RMB255,000,000 and the interest rate of 2021 ABS were ranging from 7% to 7.5% per annum.

The movement of the assets backed securities during the period is set out below:

	<b>RMB'000</b>
At 1 January 2024 (Audited)	270,394
Effective interest recognised	9,104
At 30 June 2024 (Unaudited)	279,498

## 24. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$</b>	<b>Equivalent to RMB'000</b>
Ordinary Shares of HK0.1 each			
Authorised:			
At 1 January 2024 and 30 June 2024	8,000,000,000	800,000,000	704,008
Issued and fully paid:			
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	5,772,597,864	577,259,786	498,787



For the six months ended 30 June 2024

## 25. CAPITAL AND OTHER COMMITMENTS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Construction commitments in respect of investment properties contracted for but not provided in the condensed consolidated financial statements	197,062	289,468
Consideration commitments in respect of acquisition of subsidiaries contracted for but not provided in the condensed consolidated financial statements	317,264	522,997
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	26,423	27,282

## 26. SHARE-BASED PAYMENT TRANSACTIONS

### (a) Share option scheme of Colour Life

The following table discloses movements of Colour Life's share options held by directors, employees and non-controlling shareholders of certain subsidiaries of Colour Life during the six months ended 30 June 2024:

	<b>Number of share options under share option schemes (‘000)</b>
Outstanding as at 1 January 2024	45,532
Lapsed during the period	(133)
Outstanding as at 30 June 2024	45,399

No expense was recognised by Colour Life for the six months ended 30 June 2024 and 2023 in share option reserve of Colour Life included in non-controlling interests in relation to share options granted by Colour Life.

### (b) Share award scheme of Colour Life

The directors of Colour Life has adopted a share award scheme (the “Colour Life’s Share Award Scheme”) on 4 July 2016 for certain employees of Colour Life and consultants to Colour Life as incentives or rewards for their contribution to Colour Life by way of the Colour Life’s shares acquired by and held through an independent trustee appointed by Colour Life (the “Trustee”) until fulfilment of special conditions before vesting.

During the six months ended 30 June 2024 and 2023, no shares held for the Colour Life Share Award Scheme were awarded.

Up to 30 June 2024, total of 1,802,000 (31 December 2023: 1,802,000) Company’s shares acquired have not been awarded to eligible employees or consultants.

## 27. CONTINGENT LIABILITIES

- (a) The Group provided guarantees amounting to RMB6,321 million (31 December 2023: RMB6,213 million) given to banks for mortgage facilities granted to purchasers of the Group's properties for sales as at 30 June 2024.
- (b) The Group provided guarantees on several basis covering its respective shares of outstanding obligations under the bank borrowings incurred by the joint ventures and associates for developing their projects. As at 30 June 2024, the Group's aggregate shares of such guarantees provided in respective of loans borrowed by these joint ventures amounted to RMB1,899 million (31 December 2023: RMB 1,899 million) and associates amounted to RMB2,320 million (31 December 2023: RMB3,188 million).

In the opinion of the directors, the possibility of the default of the parties is remote and the fair value of guarantee contracts is insignificant at the inception and at the end of each reporting period.

## 28. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Properties for sale	20,774,893	20,432,195
Investment properties	2,633,740	2,765,150
Pledged bank deposits	147,295	145,650
Property, plant and equipment	58,186	334,751
	<b>23,614,114</b>	<b>23,677,746</b>

For the six months ended 30 June 2024

## 29. RELATED PARTY DISCLOSURES

In addition to those disclosed in elsewhere in the condensed consolidated financial statements, the Group had following significant transactions with related parties:

### (a) Related party balances

The Group had the following significant balances due from related parties at the end of the reporting period:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Non-controlling shareholders of the subsidiaries of the Company	457,101	663,278
Joint ventures	3,142,983	3,569,820
Associates	2,516,677	2,731,893
Related parties	132,886	163,097
	<b>6,249,647</b>	<b>7,128,088</b>

Amounts due from non-controlling shareholders of the Company's subsidiaries, joint ventures, associates and related parties are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The subsidiaries, joint ventures, associates and related parties are principally engaged in property development, property management and property leasing business. The Group determines the current or non-current portion of the advances based on the expected date of recovery with reference to the status of the property projects and the financial position of the subsidiaries, joint ventures, associates and related parties.

Details of the impairment assessment are set out in note 19.

The Group had the following significant balances due to related parties at the end of the reporting period:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Joint ventures	36,612	29,071
Associates	168,827	273,617
Related parties	494	795
	<b>205,933</b>	<b>303,483</b>

Amounts due to related parties are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

## 29. RELATED PARTY DISCLOSURES (continued)

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefit	12,688	17,837
Post-employment benefit	610	780
	<b>13,298</b>	18,617

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table gives information about the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value at		Fair value hierarchy	Valuation technique and key input
	30 June 2024	31 December 2023		
	RMB'000	RMB'000		
	(Unaudited)	(Audited)		
Equity instruments designated at FVTOCI	13,884	13,282	Level 3	Discounted cash flow – Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflects the internal rate of return.

For the six months ended 30 June 2024

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate to their fair values.

	Fair value hierarchy	30 June 2024		31 December 2023	
		Carrying amount RMB'000 (Unaudited)	Fair value RMB'000	Carrying amount RMB'000 (Audited)	Fair value RMB'000
Senior notes	Level 1	37,092,229	501,928	35,390,125	829,777

The management of the Group estimates the fair value of other financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

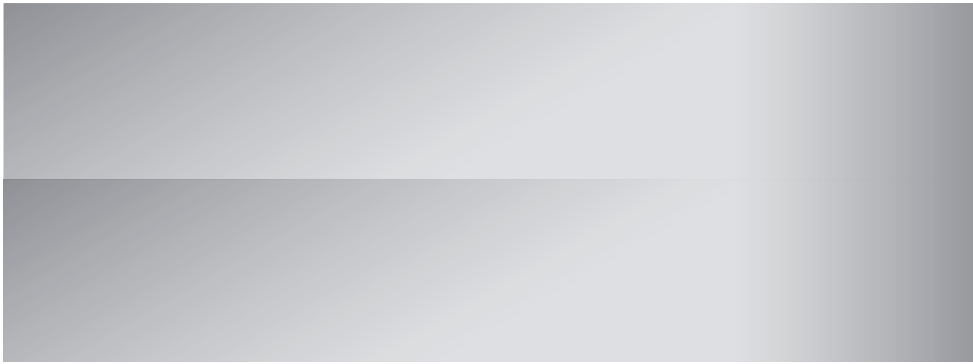
### 31. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June 2024, the Group entered into certain new lease agreements for the use of office premises for two years. On the lease commencement, the Group recognised RMB63,000 (six months ended 30 June 2023: RMB33,680,000) right-of-use assets and RMB63,000 (six months ended 30 June 2023: RMB33,680,000) lease liabilities.

### 32. EVENTS AFTER REPORTING PERIOD

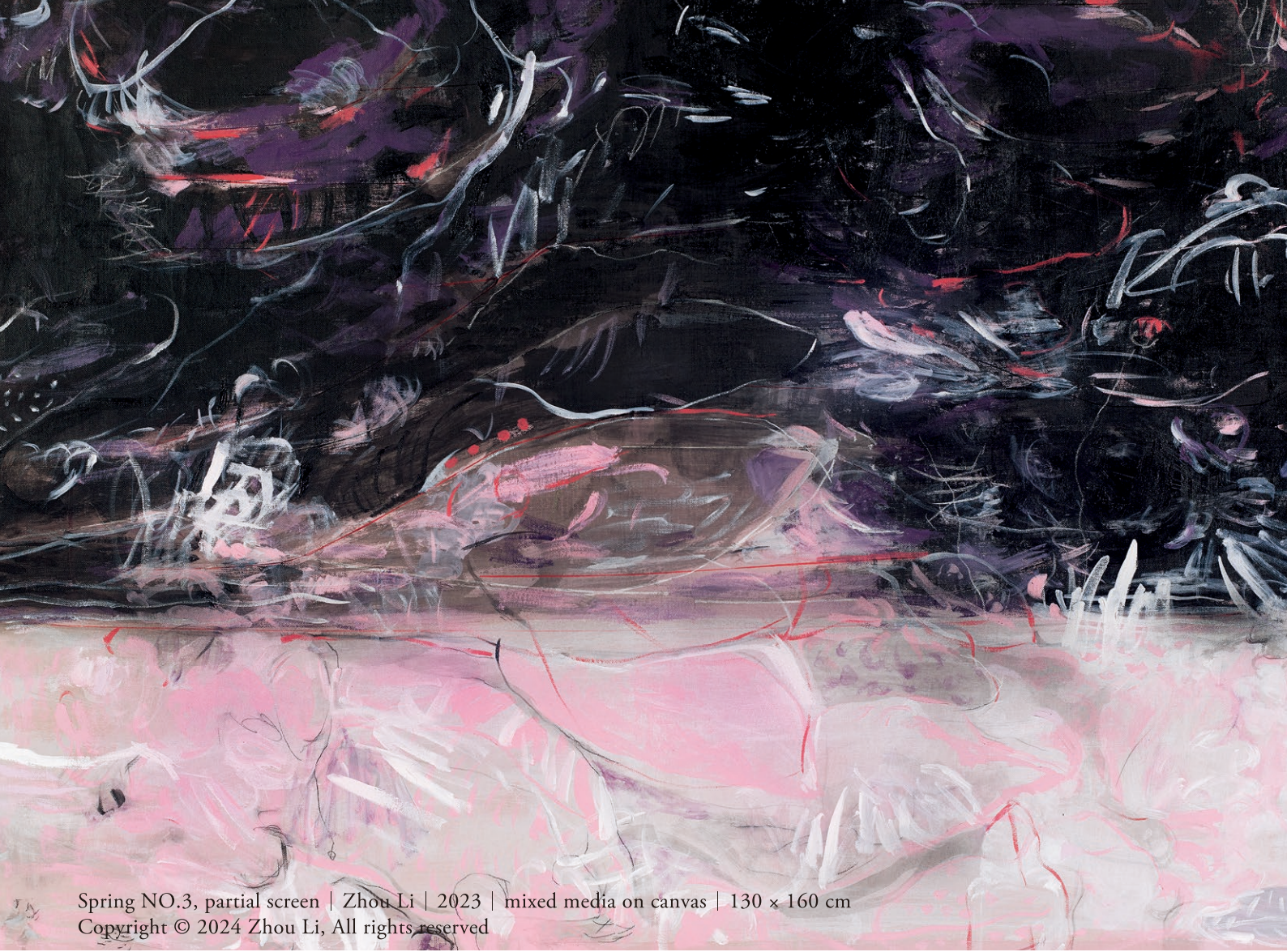
Subsequent to 30 June 2024 and up to the date of the condensed consolidated financial statements, the Group has certain litigations with its business partners regarding the settlement of the outstanding/overdue operational payables, banks and other borrowings and senior notes. The Group has been proactive in seeking ways to settle the outstanding litigation of the Group, however, the outcome of the claims and disputes is not certain at current stage.

FANTASIA  
花样年



花样创造价值。

CREATING VALUE WITH ASPIRATIONS.



Spring NO.3, partial screen | Zhou Li | 2023 | mixed media on canvas | 130 x 160 cm  
Copyright © 2024 Zhou Li, All rights reserved

**CAYMAN ISLANDS PRINCIPAL  
SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1110  
Cayman Islands

**HONG KONG BRANCH  
SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

**STOCK CODE**

The Stock Exchange of Hong Kong Limited  
Stock Code: 01777

**REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**CORPORATE HEAD OFFICE IN HONG KONG**

21 Floor  
CMA Building  
64 Connaught Road Central  
Hong Kong

**CORPORATE HEADQUARTERS  
IN PEOPLE'S REPUBLIC OF CHINA**

Block A, Funian Plaza  
Shihua Road and Zijing Road  
Interchange in Futian Duty-free Zone  
Shenzhen 518048  
Guangdong Province, China