



CHEN XING

Chen Xing Development Holdings Limited
辰興發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code: 2286 股份代號：2286

誠 以致遠
信 達天下



2024

INTERIM REPORT
中期報告

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Bai Xuankui (*Chairman*)
Mr. Bai Wukui
Mr. Bai Guohua
Mr. Dong Shiguang

Independent Non-executive Directors

Mr. Tian Hua
Mr. Qiu Yongqing
Ms. Gao Jianhua

COMPANY SECRETARY

Ms. Lee Angel Pui Shan

AUTHORIZED REPRESENTATIVES

Mr. Bai Guohua
Ms. Lee Angel Pui Shan

AUDIT COMMITTEE

Mr. Tian Hua (*Chairman*)
Mr. Qiu Yongqing
Ms. Gao Jianhua

REMUNERATION COMMITTEE

Mr. Tian Hua (*Chairman*)
Ms. Gao Jianhua
Mr. Bai Xuankui

NOMINATION COMMITTEE

Mr. Bai Xuankui (*Chairman*)
Mr. Qiu Yongqing
Ms. Gao Jianhua

AUDITOR

BDO Limited
Certified Public Accountant
25th Floor, Wing On Centre
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PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
China Merchants Bank Co. Ltd.
China Construction Bank Corporation
Bank of China Limited
Bank of Shanxi Co., Ltd.

CORPORATE INFORMATION

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(the "Stock Exchange")

STOCK CODE

2286

COMPANY WEBSITE

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FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2024 (the “**Reporting Period**”) together with the comparative figures for the same period in 2023. The Group’s interim results have not yet been audited, but have been reviewed by the Company’s audit committee.

- For the Reporting Period, contracted sales of the Group amounted to approximately RMB113.0 million and the corresponding contracted gross floor area (“**GFA**”) amounted to approximately 17,253 sq.m., representing a decrease of approximately 69.8% and approximately 61.3% comparing with the same period last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB1,069.5 million, of which approximately RMB1,068.6 million was revenue from property development;
- Gross profit of the Group for the Reporting Period amounted to approximately RMB256.9 million, of which approximately RMB256.0 million was gross profit from property development;
- Net profit of the Group for the Reporting Period amounted to approximately RMB92.5 million, of which approximately RMB26.3 million was net profit attributable to equity owners of the Company;
- Total GFA of land bank of the Group amounted to 1,895,915 sq.m. and the average cost of land bank was approximately RMB814.7 per sq.m. as at the end of the Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB6,549.6 per sq.m.;
- Basic earnings per share of the Company for the Reporting Period was approximately RMB0.04; and
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2024.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended 30 June 2024.

REVIEW OF RESULTS FOR THE FIRST HALF YEAR OF 2024

Industry and market overview

In the first half of 2024, the overall national real estate market maintained the adjustment trend, and the market activity improved. However, the overall market was still under pressure and the industry faced greater performance pressure. The market performance of different regions and cities were also significantly differentiated. With the continuous improvement of policy orientation on the national real estate market, the government issued a number of policies to promote the smooth transition of the market and build a new industry development model, and formulated a number of policies and measures to promote sales of the existing real estate and optimize increased housings. Meanwhile, many cities adjusted the purchase restriction policy to stimulate the potential market demand and boost consumer confidence. In terms of market supply and demand, both the sales area and sales of commercial housing in the first half of 2024 declined. After the implementation of a number of policies, the transaction rate of second-hand housings in certain core cities took the lead in improvement, and the second-hand housing market performed better than that of new housings. However, the overall new and second-hand housing markets in the third-tier and fourth-tier cities in the Mainland China require further improvement, and it still takes time for various policies to take effects.

In terms of the land market, in the first half of 2024, the supply and demand of residential land across the country fell by more than 30% year-on-year, and the average accommodation value and premium rate of land transactions dropped as compared with the same period last year. Due to the continuous optimization of land auction rules in many places, real estate enterprises were more enthusiastic about investing in high-quality land parcels, while they maintained a cautious attitude for the land parcels with low cost performance. In respect of finance, with the strengthening of financial supervision, financial risks for real estate were under effective control. With the gradual emergence of the influence of adjustment to financial and credit policies of banks on the real estate market, many real estate enterprises gradually eased the pressure of operating funds under the influence of credit policies. However, as a result of the increase in the concentration of the real estate industry, the internal differentiation was gradually obvious, and the competitive pressure of sales decline and the internal risk of the small and medium-sized real estate enterprises were much higher than those of the head real estate enterprises. Therefore, small and medium-sized real estate enterprises are still under greater survival pressure.

Business overview

The Company's sales performance for the first half of 2024 fell short of the set target. The sales market of the Company was mainly concentrated in the third-tier and fourth-tier cities, with less inventory backlog and new construction area in 2024 and a significant decrease in sales. Due to the carryforward of revenue upon delivery of phase I of the Jinhutingyuan (金湖庭院) project of the Company in Mianyang, Sichuan in the first half of 2024, and the disposal of 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司), the Company's revenue for the first half of 2024 increased as compared to the same period last year. However, the Company remained affected by the overall real estate industry and market environment and faced the risk of market and industry adjustments. Under the unremitting efforts of the Board and management of the Company, the Company adjusted its business strategy in a timely manner to grade and screen the Company's businesses. While proceeding with integration of business and sale of non-key projects to reduce the operating pressure, studying government policies in a timely manner and proactively seeking methods to mitigate risks, the Company also proactively sought for excellent partners for common development, so as to ensure the stable operation of the Group.

During the Reporting Period, the Group's contracted sales amounted to approximately RMB113.0 million, representing a decrease of approximately 69.8% from RMB376.3 million as compared with the same period last year; the Group's total contracted GFA amounted to approximately 17,253 sq.m., representing a decrease of approximately 61.3% from 44,996 sq.m. as compared with the same period last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared with the same period of last year, of which approximately RMB1,068.6 million was revenue from property development, representing an increase of approximately 349.2% as compared with the same period of last year. During the Reporting Period, the net profit attributable to the owners of the parent of the Company was approximately RMB26.3 million, representing an increase of approximately 447.9% as compared with the same period of last year.

During the Reporting Period, the Group's land bank was approximately 1,895,915 sq.m.



CHAIRMAN'S STATEMENT

PROSPECTS FOR SECOND HALF OF 2024

In the first half of 2024, the real estate market showed certain fluctuations and adjustments under the influence of government policy regulation and market supply and demand. Although the market is facing certain pressure, with the further optimization of policies and the gradual recovery of market confidence, it is expected that the real estate market will gradually repair and achieve a moderate recovery in the second half of the year. Policy remains a key factor affecting the real estate market, and the government is expected to further adopt policies to stabilize the market, including adjusting policies on purchase restriction and loan restriction, increasing support for housing consumption, etc. At the same time, the government will strengthen supervision over the real estate market and real estate finance to prevent market risks. The supply and demand relationship and development direction of the real estate market will still be subject to adjustments. With the recovery of the economy, the restoration of consumer confidence and the increase in affordable housing, the demand for housing for home upgrades will gradually increase.

With the adjustment of the real estate market and industry, the differentiation of regional markets and the competition in the real estate industry will be intensified, the industry concentration will be further enhanced, and the weaker small and medium-sized real estate enterprises may face more severe crises and difficulties. With the adjustment of the market, the market of housing for home upgrades will usher in a window period. Due to the saturation of the rigid demand market and the government's support for the release of reasonable demand for housing for home upgrades, it is expected that the demand for housing for home upgrades will see a breakthrough development in the future.

Based on the study of the current situation of the real estate market and the forecast of future development in the PRC, in the second half of 2024, following the direction of industry adjustment, the Company will seize the window period of the market of housing for home upgrades to adjust its development strategy and seize market opportunities to achieve steady development. Meanwhile, the Company will adjust its business philosophy and strengthen the Company's internal fund management, to improve the efficiency of the use of funds and strengthen its own risk management and market adaptability, in order to cope with various changes and challenges in the market.



CHAIRMAN'S STATEMENT

The Company will continue to focus on the development of high-end housing for home upgrades to follow the essence of residence as its core philosophy. It will develop high-end properties of housing for home upgrades on the theme of living environment, neighborhood environment, harmonious coexistence, etc. and use new materials and technologies to develop green and healthy housing to meet the demand for housing for home upgrades. In order to provide high-end housing for home upgrades with higher quality and better services, the Company will enhance its core competitiveness by strengthening product research and development to further the Company's development in the market and industry. In terms of corporate team building, the Company will also create a professional core team and high-caliber management team, and widely select excellent talents in line with industry development requirements and business philosophy of the Company in the process of industry adjustment, so as to meet the Company's talent needs for operation and development. The Company will continue to control operating costs, optimize human resources, and streamline the Company's management process. It will formulate measures to improve the Company's management efficiency from various aspects, and create new enterprise management models to comply with new trends in industry development and market development changes.

ACKNOWLEDGEMENT

Finally, I would like to express my sincerest gratitude on behalf of the Board to the management and staff of the Company for their hard work. At the same time, I would also like to thank the investors, customers and partners for their great support and trust in the Group.

Bai Xuankui
Chairman

Shanxi, the PRC
28 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, the Group's contracted sales amounted to approximately RMB113.0 million, representing a decrease of approximately 69.8% as compared with the same period of last year. During the Reporting Period, the Group's revenue amounted to approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared to the same period of last year, among which, revenue derived from property development was approximately RMB1,068.6 million, representing an increase of approximately 349.2% as compared with the same period of last year. During the Reporting Period, the Group had gross profit of approximately RMB256.9 million, net profit of approximately RMB92.5 million, of which net profit attributable to equity owners of the Company was approximately RMB26.3 million.

CONTRACTED SALES

The Group's contracted sales for the six months ended 30 June 2024 and 2023 were approximately RMB113.0 million and RMB376.3 million, respectively, representing a decrease of approximately 69.8%. The total contracted GFA for the six months ended 30 June 2024 and 2023 were approximately 17,253 sq.m. and 44,996 sq.m., respectively, representing a decrease of approximately 61.3%. By geographical location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou were approximately RMB21.0 million, RMB31.7 million, RMB47.4 million and RMB12.9 million, respectively, representing approximately 18.6%, 28.1%, 41.9% and 11.4% of the Group's total contracted sales, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the Group's contracted sales for the six months ended 30 June 2024 by geographical location:

	Contracted Sales for the six months ended 30 June 2024 (RMB million)	Contracted Sales for the six months ended 30 June 2023 (RMB million)	Contracted GFA for the six months ended 30 June 2024 (sq.m.)	Contracted GFA for the six months ended 30 June 2023 (sq.m.)	Average Contracted Sales Price for the six months ended 30 June 2024 (RMB/sq.m.)	Average Contracted Sales Price for the six months ended 30 June 2023 (RMB/sq.m.)
Jinzhong						
Chenxing Yijun (辰興頤郡)	19.0	18.9	2,995	2,976	6,357.5	6,345.9
Xin Xing International Cultural Town (新興國際文教城) (Phases III, IV and V)	2.0	—	372	—	5,388.0	—
Taiyuan						
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase I)	14.9	15.1	1,426	1,414	10,414.5	10,651.2
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase II)	2.0	0.6	341	—	5,871.8	—
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase III)	14.8	19.8	3,489	3,325	4,249.4	5,954.8
Mianyang						
Elite Gardens (天禦)	—	4.1	—	779.0	—	5,261.0
Chang Xing Star Gardens (長興星城)	6.2	14.0	1,903	2,714	3,264.0	5,141.4
Chang Xing Jinhutingyuan (長興金湖庭院)	41.2	264.0	5,830	28,686	7,071.7	9,204.1
Hainan						
Chenxing Shangpinhui (辰興尚品匯)	3.9	38.2	138	4,666	28,196.2	8,185.1
Jiangdong Shangyuan (江東上院)	9.0	—	759	—	11,812.0	—
Total	113.0	374.7	17,253	44,560	6,549.6	8,408.9

Note:

Contracted sales, total contracted GFA and average contracted sales price in the above table also include car parking spaces sold, if applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Projects

The Group's property projects are divided into the following three categories depending on their development stages: completed properties, properties under development and properties held for future development. As some of the projects are developed successively in several phases, a single project may involve different development phases like completed, under development and held for future development.

As at 30 June 2024, the Group had a completed total GFA of approximately 3,282,572 sq.m. and a land bank with a total GFA of approximately 1,895,915 sq.m., comprising (i) a total GFA of approximately 205,587 sq.m. which is completed but unsold; (ii) a total GFA of approximately 851,984 sq.m. which is under development; and (iii) a total planned GFA of approximately 838,344 sq.m. held for future development.

The Group selectively retains the ownership of substantially all self-developed commercial properties with strategic values to generate sustainable and stable revenue. As at 30 June 2024, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

Property Portfolio Summary

Intended use ⁽¹⁾	Total GFA completed <i>(sq.m.)</i>	GFA under development <i>(sq.m.)</i>	Total GFA held for future development <i>(sq.m.)</i>
Mid-rise	820,511	53,873	248,100
High-rise	1,258,095	201,544	152,516
Townhouses	78,468	84,699	126,837
Multi-story garden apartments	576,743	124,427	16,771
Retail outlets	249,260	99,903	73,643
SOHO apartments	6,931	15,984	—
Hotels	10,845	96,034	17,535
Parking spaces	275,436	159,593	191,882
Ancillary ⁽²⁾	6,283	15,927	11,060
Total GFA	3,282,572	851,984	838,344
Attributable GFA ⁽³⁾	3,222,268	851,984	737,346

Notes:

(1) Includes the portion of GFA held by the Group as public facilities (not saleable or leaseable).

(2) Includes primarily public facilities which are not saleable or leaseable.

(3) Comprises the total GFA attributable to the Group based on the Group's actual interest in the relevant projects or project phases.

MANAGEMENT DISCUSSION AND ANALYSIS

Completed Projects

The following table sets forth a summary of information on the Group's completed projects and corresponding project phases, if any, as at 30 June 2024:

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable		GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
						GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)			
Jinzhong										
1. East Lake Mall (東湖井)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	July 2000	1,330	17,886	–	10,610	7,276	–	100.00
2. Grand International Mall & Apartments (君豪國際)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	–	100.00
3. Blossom Gardens (錦綉新城)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	April 2007	5,261	39,080	–	–	39,080	–	100.00
4. Xin Xing International Cultural Town (新興國際文教城)										
Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	December 2005	5,600	24,602	–	–	24,602	–	100.00
Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	April 2012	17,968	93,061	–	–	92,910	151	100.00
Phase III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2009	255,918	545,047	2,327	–	542,720	–	100.00
Phase IV	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	July 2016	30,987	71,103	747	–	70,356	–	100.00
Phase V	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	July 2016	22,578	50,438	3,266	–	46,137	1,035	100.00
5. Upper East Gardens (上東庭院)										
Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	November 2006	19,361	47,926	–	–	47,926	–	100.00
Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2011	24,343	75,889	–	–	75,889	–	100.00
6. Riverside Gardens – Zuoquan (左權濱河嘉園)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2007	73,035	98,545	–	–	97,990	555	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable		GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
						GFA remaining (sq.m.)	GFA held for investment (sq.m.)			
7. SOLO Apartments (尚座公寓)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial/ Complex	September 2009	2,411	9,783	257	–	9,526	–	100.00
8. Riverside Gardens – Heshun (和順濱河小區)										
Stage I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	June 2008	60,100	62,508	–	–	62,168	340	100.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	October 2012	5,898	51,217	–	–	51,217	–	100.00
9. Mandarin Gardens – Taigu (太谷文華庭院)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	May 2011	30,690	51,525	–	–	51,525	–	100.00
10. Shuncheng Street Underground Space (順城街地下空間)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	August 2015	–	897	–	–	897	–	100.00
11. Chenxing Yijun (辰興曠郡)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	January 2022	19,056	35,676	17,409	–	17,803	464	100.00
Stage I (portion)										
Taiyuan										
1. Yosemite Valley Town – Taiyuan (龍城優山美郡)										
Southern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	December 2014	117,128	406,165	13,451	–	392,714	–	100.00
Northern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	November 2016	108,005	397,867	11,155	–	316,333	70,379	100.00
Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	June 2020	86,318	246,891	12,944	–	233,947	–	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable		GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
						GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)			
Mianyang										
1. Yosemite Valley Town (優山美郡)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	May 2012	74,124	126,329	5,288	—	119,196	1,845	100.00
2. Elite Gardens (天禦)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	September 2014	68,529	116,816	1,265	—	114,864	687	100.00
3. Star Gardens (星城)										
Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	June 2017	68,150	288,450	3,321	—	283,808	1,321	100.00
Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	November 2020	36,158	122,271	1,421	—	119,919	931	100.00
4. Jinhutingyuan (金湖庭院)										
Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	June 2024	62,672	150,760	37,359	—	113,401	—	60.00
Haikou										
1. Shangpinhui (尚品匯)	Haikou City, Hainan Province (海南省海口市)	Commercial	April 2024	43,795	86,296	86,296	—	—	—	100.00
Total				1,246,880	3,282,572	205,587	18,851	2,980,426	77,708	
Attributable GFA⁽³⁾				1,221,811	3,222,268	190,643	18,851	2,935,066	77,708	

Notes:

- (1) Includes the GFA held by the Group as public facilities (not saleable or leaseable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

MANAGEMENT DISCUSSION AND ANALYSIS

Properties under Development and Properties Held for Future Development

The following table sets forth a summary of information on the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 30 June 2024:

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development			Held for future development		Ownership interest ⁽¹⁾ (%)
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with land use right certificate not yet obtained (sq.m.)	
Jinzhong										
1. Chenxing Yijun (辰興頤郡)			178,230		95,348	92,599	53,709	356,400	—	100.00
Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	37,545	September 2024	95,348	92,599	53,709	—	—	100.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	37,462	December 2026	—	—	—	99,500	—	100.00
Stage III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	85,669	December 2026	—	—	—	209,300	—	100.00
Stage IV	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	17,554	December 2026	—	—	—	47,600	—	100.00
2. Shiguang Zhicheng (時光之城)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial	28,296	December 2025	112,383	53,880	—	—	—	100.00
3. Jinxiu SOHO (錦綉中心)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial	3,461	December 2025	20,506	—	—	—	—	100.00
Taiyuan										
1. Yosemite Valley Town — Taiyuan (龍城優山美郡)			107,038		358,948	334,732	264,349	—	—	100.00
Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	24,917	September 2024	129,448	118,086	89,071	—	—	100.00
Phase III	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	60,273	November 2024	216,881	216,646	175,278	—	—	100.00
Phase IV	Taiyuan City, Shanxi Province (山西省太原市)	Primary school	21,848	September 2024	12,619	—	—	—	—	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development				Held for future development	Ownership interest ⁽¹⁾ (%)
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with land use right certificate not yet obtained (sq.m.)	
Haikou										
1. Jiangdong Shangyuan (江東上院)	Haikou City, Hainan Province (海南省海口市)	Residential/ Commercial	57,446	December 2024	56,425	10,844	1,401	17,240	—	100.00
Wuzhishan										
1. Yijun (頤郡)			92,522		136,422	12,293	—	—	—	100.00
Phase I	Wuzhishan City, Hainan Province (海南省 五指山市)	Commercial	28,745	November 2024	48,013	1,559	—	—	—	100.00
Phase II	Wuzhishan City, Hainan Province (海南省 五指山市)	Residential	23,827	May 2026	35,274	—	—	—	—	100.00
Phase III	Wuzhishan City, Hainan Province (海南省 五指山市)	Residential	18,244	May 2026	26,666	10,734	—	—	—	100.00
Phase IV	Wuzhishan City, Hainan Province (海南省 五指山市)	Residential	21,706	May 2026	26,469	—	—	—	—	100.00
Xishuangbanna										
1. Chenxing International Health City (辰興國際 健康城)			223,889		71,952	—	—	212,208	—	100.00
Stage I	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版納傣族自 治州)	Residential/ Commercial	14,049	December 2025	17,831	—	—	—	—	100.00
Stage II	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版納傣族自 治州)	Residential/ Commercial	127,466	December 2026	54,121	—	—	107,659	—	100.00
Stage III	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版納傣族自 治州)	Residential/ Commercial	82,374	December 2027	—	—	—	104,549	—	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development			Planned GFA (sq.m.)	Held for future development GFA with land use right certificate not yet obtained (sq.m.)	Ownership interest ⁽¹⁾ (%)	
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)				
Mianyang											
1. Jinhutingyuan (金湖庭院)			91,695			—	—	—	252,496	—	60.00
Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	91,695	December 2026	—	—	—	—	252,496	—	60.00
Total			782,577			851,984	504,348	319,459	838,344	—	
Attributable GFA⁽²⁾						851,984	504,348	319,459	737,346	—	

Notes:

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a summary of information on the Group's investment properties as at 30 June 2024:

Project	Type of property	Total GFA held for investment	Effective leased GFA	Occupancy rate	Rental income for the six months ended 30 June	
		<i>(sq.m.)</i>	<i>(sq.m.)</i>	<i>(%)</i>	2024 <i>(RMB million)</i>	2023
Grand International Mall & Apartments (君豪國際)	Retail outlets	8,241	—	—	0.24	—
East Lake Mall (東湖井)	Retail outlets	10,610	559	5.3	0.18	0.6
Office Building of West Yingbin Street (迎賓西街辦公樓)	Retail outlets	2,762	2,680	97.0	0.55	1.7
Total		21,613	3,239	—	0.97	2.3

The table below sets forth a summary of the Group's land bank as at 30 June 2024 by geographical location:

	Completed	Under development	Future development	Total land bank ⁽¹⁾	Percentage of total land bank	Average land cost
	Saleable/ Leasable GFA remaining unsold <i>(sq.m.)</i>	GFA under development <i>(sq.m.)</i>	Planned GFA <i>(sq.m.)</i>	Total GFA <i>(sq.m.)</i>	<i>(%)</i>	<i>(RMB/sq.m.)</i>
Jinzhong	33,087	228,237	356,400	617,724	32.6	798.3
Taiyuan	37,550	358,948	—	396,498	20.9	393.5
Mianyang	48,654	—	252,496	301,150	15.9	1,085.9
Haikou	86,296	56,425	17,240	159,961	8.4	2,344.8
Wuzhishan	—	136,422	—	136,422	7.2	1,145.2
Xishuangbanna	—	71,952	212,208	284,160	15.0	987.3
Total	205,587	851,984	838,344	1,895,915	100.0	814.7

Note:

- (1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a summary of the Group's land bank as at 30 June 2024 by type of property:

	Completed	Under development	Future development	Total land bank ⁽¹⁾	Percentage of total land bank
	Saleable/ Leasable GFA remaining unsold <i>(sq.m.)</i>	GFA under development <i>(sq.m.)</i>	Planned GFA <i>(sq.m.)</i>	Total GFA <i>(sq.m.)</i>	<i>(%)</i>
Mid-rise	18,133	53,873	248,100	320,106	16.9
High-rise	14,852	201,544	152,516	368,912	19.5
Townhouses	15,990	84,699	126,837	227,526	12.0
Multi-story garden apartments	3,408	124,427	16,771	144,606	7.6
Available-for-sale office/commercial properties	91,715	99,903	73,643	265,261	14.0
SOHO apartments	58	15,984	—	16,042	0.9
Hotels	10,845	96,034	17,535	124,414	6.5
Parking spaces	50,586	159,593	191,882	402,061	21.2
Ancillary facilities ⁽²⁾	—	15,927	11,060	26,987	1.4
Total	205,587	851,984	838,344	1,895,915	100.0

Notes:

(1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

(2) Includes primarily public facilities which are not saleable.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared with approximately RMB240.2 million for the corresponding period of last year. The increase was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB1,068.6 million, representing an increase of approximately 349.2% as compared with approximately RMB237.9 million for the corresponding period of last year. The increase was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

Sales and Services Cost

The Group's sales and services cost increased by approximately 365.4% from approximately RMB174.6 million for the six months ended 30 June 2023 to approximately RMB812.6 million for the six months ended 30 June 2024, which was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

Gross Profit

During the Reporting Period, the Group's gross profit was approximately RMB256.9 million, representing an increase of approximately 291.6% from approximately RMB65.6 million for the six months ended 30 June 2023. The Group's gross profit margin during the Reporting Period was approximately 24.0%, representing a decrease of 3.3% as compared with approximately 27.3% for the six months ended 30 June 2023.

During the Reporting Period, the Group's gross profit on property development was approximately RMB256.0 million, representing an increase of approximately 298.8% as compared with approximately RMB64.2 million for the six months ended 30 June 2023. The increase in the gross profit on property development of the Group was mainly due to the significant increase in revenue during the Reporting Period.

During the Reporting Period, the gross profit margin of property development of the Group was approximately 24.0%, representing a decrease of 3.0% as compared with a gross profit margin of property development of approximately 27.0% for the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income and Gains

The Group's other income and gains amounted to approximately RMB7.9 million during the Reporting Period, representing an increase of approximately 107.8% as compared with approximately RMB3.8 million for the six months ended 30 June 2023. The increase was mainly due to the receipt of compensation for legal proceedings during the Reporting Period.

Net Profit Attributable to Owners of the Parent of the Company

During the Reporting Period, the net profit attributable to owners of the parent of the Company was approximately RMB26.3 million, representing an increase of approximately 447.9% from approximately RMB4.8 million for the six months ended 30 June 2023. The increase in the net profit attributable to owners of the parent of the Company was mainly due to the combined effect of: (A) the increase in revenue of the Group from RMB240.2 million for the six months ended 30 June 2023 to approximately RMB1,069.5 million for the Reporting Period and the increase in investment income of RMB45.7 million from deemed disposal of a subsidiary due to, among others, (i) the carryforward of revenue upon delivery of completed properties of the Phase I project of Jinhutingyuan (金湖庭院) and (ii) the disposal of 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司); and (B) the increase in finance costs of approximately RMB60.9 million due to the expensing of interests incurred on the special borrowings of the urban village renovation project of Beigunian.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 171.3% from approximately RMB10.1 million for the six months ended 30 June 2023 to approximately RMB27.4 million for the Reporting Period, and the increase was primarily due to the increase in corresponding sales agent fees upon carryforward of revenue from properties delivered from the Phase I project of Jinhutingyuan (金湖庭院) during the Reporting Period.

Administrative Expenses

The Group's administrative expenses increased by approximately 45.2% from approximately RMB19.9 million for the six months ended 30 June 2023 to approximately RMB28.9 million for the Reporting Period, primarily due to the significant carryforward of revenue from the Phase I project of Jinhutingyuan (金湖庭院), resulting in an increase in taxes payable during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The Group's finance costs increased by approximately 470.9% from approximately RMB16.5 million for the six months ended 30 June 2023 to approximately RMB94.2 million for the Reporting Period, primarily due to the expensing of interests incurred on the special borrowings of the urban village renovation project of Beigunian during the Reporting Period.

Income Tax Expenses

The Group's income tax expenses increased by approximately 234.8% from approximately RMB20.7 million for the six months ended 30 June 2023 to approximately RMB69.3 million for the Reporting Period, primarily due to the significant increase in total profit resulting from the significant carryforward of revenue from the Phase I project of Jinhutingyuan (金湖庭院) during the Reporting Period.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, the Group's profit and total comprehensive income for the period increased by approximately 555.6% from approximately RMB14.2 million for the six months ended 30 June 2023 to approximately RMB93.1 million for the Reporting Period.

Cash Position

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB188.8 million, representing a decrease of approximately 7.3% as compared with approximately RMB203.7 million as at 31 December 2023.

Net Operating Cash Flow

The Group recorded a positive operating cash flow of approximately RMB48.7 million as at 30 June 2024 as compared with a negative operating cash flow of approximately RMB66.3 million as at 30 June 2023.

Borrowings

The Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,802.4 million and RMB244.9 million, respectively, as at 30 June 2024 while the Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,857.8 million and RMB216.3 million as at 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledged Assets

Certain of the Group's borrowings were secured by properties under development, investment properties, as well as property, plant and equipment, or a combination of the above items. As at 30 June 2024, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB2,081.8 million, while the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB2,260.2 million as at 31 December 2023.

Financial Guarantees and Contingent Liabilities

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at 30 June 2024, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,043.4 million, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,353.8 million as at 31 December 2023.

The Group had no significant contingent liabilities as at 30 June 2024.

Gearing Ratio

As at the end of the Reporting Period, based on the Group's total debt of approximately RMB2,802.4 million and total equity of approximately RMB1,451.8 million, the gearing ratio of the Group was approximately 193.0% [31 December 2023: approximately 175.3%]. Gearing ratio is calculated by dividing total debt over total equity, and total debt includes interest-bearing bank and other borrowings. The increase in gearing ratio was mainly due to the decrease in total equity resulting from the acquisition of non-controlling interests during the Reporting Period.

Foreign Currency Risk

The Group operates primarily in the PRC and most of its revenues and expenses are settled in RMB. The Group is exposed to foreign currency risks because its bank balances are denominated in HK dollar and the value of which will fluctuate with exchange rate fluctuations. The exchange rate between RMB and HK dollar may fluctuate as a result of various factors, such as changes in China's political and economic conditions. The Board expects that the fluctuation of the RMB exchange rate will not have a material adverse effect on the Group. The Group does not have a hedging policy in relation to the foreign currency risk.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisitions and Disposal of Subsidiaries or Associates

On 29 December 2023, Chenxing Real Estate Development Co., Ltd.* (辰興房地產發展有限公司) (“**Chenxing Real Estate**”), an indirect wholly-owned subsidiary of the Company, and Jinzhong Development Zone Development and Construction Group Co., Ltd.* (晉中開發區開發建設集團有限公司) (“**Jinzhong Development and Construction**”) entered into an equity transfer agreement. Pursuant to the terms and conditions of the equity transfer agreement, Chenxing Real Estate has conditionally agreed to sell, and Jinzhong Development and Construction has conditionally agreed to purchase, 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司) (“**Jinzhong Development**”), which in turn owns and controls approximately 67% of the equity interest in Jinzhong Xiya Real Estate Development Co., Ltd.* (晉中熙雅房地產開發有限公司) (“**Jinzhong Xiya**”) (the “**Disposal**”), at a total consideration of RMB100,600,000. On 25 January 2024 and 26 January 2024, the Company received consideration of RMB34,789,345 for the Disposal. During the Reporting Period, investment income of RMB45,719,502 was recognized for the disposal of subsidiaries and non-controlling interests decreased by RMB136,418,537. Upon completion of the Disposal, Jinzhong Development and Jinzhong Xiya will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Group.

For details of the Disposal, please refer to the announcements of the Company dated 29 December 2023, 22 January 2024, 31 January 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

On 8 January 2024, the Chenxing Real Estate and Sichuan Changxing Industrial (Group) Company Limited* (四川長興實業(集團)有限公司) (“**Sichuan Changxing**”) entered into an equity transfer agreement. Pursuant to the terms of the equity transfer agreement, the Chenxing Real Estate has conditionally agreed to purchase and Sichuan Changxing has conditionally agreed to sell the 16.1074% equity interest in Sichuan Chenxing Real Estate Development Co., Limited* (四川辰興房地產發展有限公司) (“**Sichuan Chenxing**”) (the “**Acquisition**”) at the consideration of RMB45,000,000. Upon completion of the Acquisition, Sichuan Chenxing will become an indirect wholly-owned subsidiary of the Company.

On 8 January 2024, Sichuan Changxing and Sichuan Chenxing made capital injection of RMB136,000,000 and RMB154,000,000 into the registered capital of Mianyang Chenxing Yazhi Real Estate Development Co., Limited* (綿陽辰興雅致房地產發展有限公司) (“**Mianyang Chenxing**”), respectively (the “**Capital Injection**”). Pursuant to the equity transfer agreement and capital injection agreement, part of the capital injection made by Sichuan Changxing shall be set off by the consideration for the Acquisition of RMB45,000,000. Upon completion of the Capital Injection, Sichuan Changxing and Sichuan Chenxing will hold 40% and 60% equity interest in Mianyang Chenxing, respectively, and Mianyang Chenxing will remain a subsidiary of the Company.

For details of the Acquisition and Capital Injection, please refer to the announcements of the Company dated 8 January 2024, 29 January 2024, 31 January 2024, 7 February 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

* English name for identification purpose only



MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed in this report, the Group did not have any other material acquisition or disposal of subsidiaries or associates during the Reporting Period.

Material Investments Held

Save as disclosed in this report, the Group did not hold any material investments during the Reporting Period.

Significant Events after the Reporting Period

As of the date of this report, the Group did not have any significant events after the Reporting Period.

Future Plans for Material Investments or Capital Assets

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as it sees fit. It is expected that internal resources and bank borrowings will be sufficient to meet the required funding requirements. Save as disclosed in the prospectus and above, the Group did not have any future plans for material investments as at the date of this report.

Employees and Remuneration Policies

As at the end of the Reporting Period, the Group had 204 employees. During the Reporting Period, the Group incurred employee costs of approximately RMB10.1 million. Remuneration for the employees generally includes salary and performance-based quarterly bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans operated by the municipal and provincial governments, including housing provident funds, pension, medical, occupational injury and unemployment benefit plans.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2024 (30 June 2023: Nil).

CORPORATE GOVERNANCE AND OTHER MATTERS

CORPORATE GOVERNANCE PRACTICE

The Company is always committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company and protecting the interests of all shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the shareholders. The Board considers that sound corporate governance maximizes the shareholders' interest.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as its own code of corporate governance. The Company has complied with the CG Code during the Reporting Period.

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practice and enhance its internal control in reliance on the assistance of its legal advisors as to PRC and Hong Kong laws.

The Board consists of four executive Directors and three independent non-executive Directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's businesses, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in areas of financial accounting, corporate governance, etc. and contribute to the Board with their professional opinions.

Mr. Bai Xuankui ("**Chairman Bai**") is an executive Director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai, who has been serving as a Director and the chairman of the Board since its establishment, can facilitate the Company in formulating appropriate development strategies. Regarding business operations, the Company's senior management, which comprises experienced and high-caliber individuals from various sectors, will ensure decisions made by the Board are thoroughly implemented.



CORPORATE GOVERNANCE AND OTHER MATTERS

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, each of them has confirmed that he has complied with the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares).

As at the end of the Reporting Period, the Company did not hold any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this report, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the interim results for the six months ended 30 June 2024. The Audit Committee considered that the interim results are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

CORPORATE GOVERNANCE AND OTHER MATTERS

DISCLOSURE OF INTERESTS

Interests and/or Short Positions of Directors and Chief Executives in Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations

As at 30 June 2024, the interests and/or short positions of the following Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be entered into the register mentioned under Section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions in the Shares of the Company

Name of Director/ chief executive	Capacity/ Nature of interest	Number of shares held	Percentage of shareholdings (Note 1)
Mr. Bai Xuankui (“ Mr. Bai ”) (Note 2)	Settlor of a discretionary trust	346,944,000	57.82%
Mr. Bai Wukui (Note 3)	Interest of a controlled corporation	64,944,000	10.82%
Mr. Bai Guohua (Note 4)	Beneficiary of a discretionary trust	346,944,000	57.82%
Mr. Dong Shiguang (“ Mr. Dong ”) (Note 5)	Interest of a controlled corporation	10,827,740	1.80%

Notes:

- As at 30 June 2024, the total number of issued shares of the Company was 599,999,989 shares.
- The shares were held by White Dynasty Global Holdings Limited (“**White Dynasty BVI**”) in the capacity of a legal beneficial owners, which was a corporate controlling shareholder of the Company, and White Dynasty BVI was owned by White Empire (PTC) Limited (“**White Empire BVI**”) in the capacity of a legal beneficial owner. White Empire BVI was the trustee of the family trust established for the benefit of Mr. Bai Guohua, Ms. Cheng Guilian (“**Mrs. Bai**”), and other beneficiaries to be nominated by the trustee from time to time. Since Mr. Bai was the settlor of the Family Trust, Mr. Bai was deemed to be interested in the shares held by White Dynasty BVI under the SFO.
- The shares were held by White Legend Global Holdings Limited (“**White Legend BVI**”) in the capacity of a legal beneficial owner. White Legend BVI was wholly-owned by Mr. Bai Wukui in the capacity of a legal beneficial owner. Since Mr. Bai Wukui held the entire issued share capital of White Legend BVI, Mr. Bai Wukui was deemed to be interested in the shares held by White Legend BVI under the SFO.
- The shares were held by White Dynasty BVI in the capacity of a legal beneficial owner. Since (i) Mr. Bai Guohua was a beneficiary of the Family Trust; and (ii) Mr. Bai Guohua was a person acting in accordance with the instructions from Mr. Bai, the settlor of the Family Trust, at all times, hence Mr. Bai Guohua was deemed to be interested in the shares held by White Dynasty BVI under the SFO.
- The shares were held by Honesty Priority Global Holdings Limited (“**Honesty Priority BVI**”) in the capacity of a legal beneficial owner. Since Mr. Dong owned 34.87% shares in Honesty Priority BVI, Mr. Dong was deemed to be interested in the shares held by Honesty Priority BVI under the SFO.

CORPORATE GOVERNANCE AND OTHER MATTERS

Long Positions in the Shares of Associated Corporations of the Company

Name of Director/ chief executive	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Percentage of shareholdings
Mr. Bai	White Dynasty BVI ^(Note 1)	Settlor of a discretionary trust	10,000	100%
Mr. Bai	White Empire BVI ^(Note 1)	Settlor of a discretionary trust		100%
Mr. Bai Guohua	White Dynasty BVI ^(Note 1)	Beneficiary of a discretionary trust	10,000	100%
Mr. Bai Guohua	White Empire BVI ^(Note 1)	Beneficiary of a discretionary trust		100%

Note:

- White Dynasty BVI was a corporate controlling shareholder of the Company and was wholly-owned by White Empire BVI in the capacity of a legal beneficial owner. White Empire BVI was a company limited by guarantee incorporated in the British Virgin Islands and the trustee of the Family Trust which was held for the benefits of Mr. Bai Guohua, Mrs. Bai and other beneficiaries to be nominated by the trustee from time to time, and Mr. Bai was the settlor of the Family Trust.

As at 30 June 2024, save as disclosed above, none of the Directors or chief executives of the Company had any interest and/or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and/or Short Positions in the Shares and Underlying Shares of the Company Held by Substantial Shareholders

As at 30 June 2024, to the best knowledge of the Company and the Directors, the following persons (other than Directors or chief executives of the Company) had interests and/or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be entered into the register mentioned under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of shares held	Percentage of shareholdings ^(Note 1)
White Dynasty BVI ^(Note 2)	Beneficial owner	346,944,000	57.82%
White Empire BVI ^(Note 2)	Interest of a controlled corporation	346,944,000	57.82%
White Legend BVI ^(Note 3)	Beneficial owner	69,944,000	10.82%
Mrs. Bai ^(Note 4)	Beneficiary of a discretionary trust	346,944,000	57.82%
Ms. Zhang Lindi ^(Note 5)	Interest of spouse	346,944,000	57.82%
Ms. Gan Xuelin ^(Note 6)	Interest of spouse	69,944,000	10.82%
Hwabao Trust Co., Ltd.	Trustee	62,160,000	10.36%

Notes:

- As at 30 June 2024, the Company had a total number of 599,999,989 shares in issue.

CORPORATE GOVERNANCE AND OTHER MATTERS

2. White Dynasty BVI was wholly-owned by White Empire BVI, hence White Empire BVI was deemed to be interested in the shares owned by White Dynasty BVI under the SFO. White Empire BVI was the trustee for the Family Trust established for the benefit of Mr. Bai Guohua, Mrs. Bai and other beneficiaries to be nominated by the trustee from time to time. Mr. Bai was the settlor of the Family Trust.
3. White Legend BVI was wholly-owned by Mr. Bai Wukui in the capacity of a legal beneficial owner. Since Mr. Bai Wukui had a controlling interest in White Legend BVI, Mr. Bai Wukui was deemed to be interested in the shares held by White Legend BVI under the SFO.
4. Mrs. Bai was the wife of Mr. Bai. Since Mrs. Bai was a beneficiary of the Family Trust, Mrs. Bai was deemed to be interested in the shares held by White Dynasty BVI under the SFO.
5. Ms. Zhang Lindi was the wife of Mr. Bai Guohua. Since Mr. Bai Guohua was a beneficiary of the Family Trust, Mr. Bai Guohua was deemed to be interested in the shares held by White Dynasty BVI under the SFO, therefore, Ms. Zhang Lindi was deemed to be interested in the shares held by White Dynasty BVI under the SFO.
6. Ms. Gan Xuelin was the wife of Mr. Bai Wukui. Since Mr. Bai Wukui was deemed to be interested in the shares held by White Legend BVI under the SFO, therefore, Ms. Gan Xuelin was deemed to be interested in the shares held by White Legend BVI.

As at 30 June 2024, save as disclosed above, the Company was not aware of any other persons (other than Directors and chief executive of the Company) who had interests and/or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be entered into the register mentioned under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 12 June 2015. The maximum number of shares that may be issued pursuant to the share option scheme is 50,000,000 shares, equivalent to 10% of the issued shares of the Company after completion of the global offering and 8.33% of the issued shares of the Company as at the date of this interim report. Since the adoption, the Company has not granted any share options under the Share Option Scheme.

CHANGE IN THE INFORMATION OF THE DIRECTORS

Since the publication of 2023 annual report of the Company, there is no change in the information of the Directors required to be disclosed under Rule 13.51B(1) of the Listing Rules.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
REVENUE	5	1,069,521	240,155
Cost of sales		(812,586)	(174,583)
Gross profit		256,935	65,572
Other income and gains	5	7,860	3,823
Selling and distribution expenses		(27,403)	(10,131)
Administrative expenses		(28,901)	(19,861)
Reversal on provision on expected credit loss on financial assets, net		2,205	2,277
Other expenses		(1,703)	(128)
Finance costs		(94,225)	(16,525)
Deemed investment income from disposal of subsidiaries		45,720	—
Share of profits of Joint ventures		1,226	1,048
PROFIT BEFORE TAX	6	161,714	26,075
Income tax expense	7	(69,255)	(20,661)
PROFIT FOR THE PERIOD		92,459	5,414
Attributable to:			
Owners of the parent		26,268	4,823
Non-controlling interests		66,191	591
		92,459	5,414
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted — profit for the period	8	RMB0.04	RMB0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
PROFIT FOR THE PERIOD	92,459	5,414
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	328	1,524
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	328	1,524
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	425	9,619
Income tax effect	(106)	(2,405)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	319	7,214
	319	7,214
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	647	8,738
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	93,106	14,152
Attributable to:		
Owners of the parent	26,915	13,561
Non-controlling interests	66,191	591
	93,106	14,152

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	50,299	54,403
Investment properties		103,000	103,000
Right-of-use assets		1,075	1,097
Properties under development	13	278,330	245,647
Intangible assets		4	5
Investment in joint ventures		6,911	5,684
Equity investments designated at fair value through other comprehensive income	14	62,761	62,336
Time deposit		—	—
Deferred tax assets		192,974	228,048
Total non-current assets		695,354	700,220
CURRENT ASSETS			
Properties under development	13	3,861,387	4,825,851
Completed properties held for sale	15	1,259,322	915,170
Inventories		30,610	28,064
Trade receivables	10	2,729	2,164
Prepayments, other receivables and other assets		2,991,675	3,200,329
Tax recoverable		63,982	89,354
Pledged deposits		10,651	10,149
Restricted cash		406	42,919
Cash and cash equivalents	16	188,782	203,689
Assets of a disposal group classified as held for sale		8,409,544	9,317,689
		—	3,186,357
Total current assets		8,409,544	12,504,046

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
CURRENT LIABILITIES			
Trade and bills payables	11	854,330	824,136
Other payables and accruals		1,001,346	954,662
Contract liabilities		2,760,746	3,668,861
Interest-bearing bank and other borrowings	17	2,453,338	2,815,782
Tax payable		147,780	123,125
		7,217,540	8,386,566
Liabilities of a disposal group classified as held for sale		—	3,059,057
Total current liabilities		7,217,540	11,445,623
NET CURRENT ASSETS		1,192,004	1,058,423
TOTAL ASSETS LESS CURRENT LIABILITIES		1,887,358	1,758,643
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	17	349,108	42,000
Deferred tax liabilities		22,838	22,838
Other payables		63,600	63,600
Total non-current liabilities		435,546	128,438
NET ASSETS		1,451,812	1,630,205
EQUITY			
Equity attributable to owners of the parent			
Share capital		4,855	4,855
Reserves		1,254,579	1,385,273
		1,259,434	1,390,128
Non-controlling interests		192,378	240,077
TOTAL EQUITY		1,451,812	1,630,205

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent										Total equity RMB'000
	Share capital RMB'000	Share premium account RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Asset revaluation RMB'000	Fair value reserve of financial assets at fair value through other comprehensive RMB'000	Exchange fluctuation RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2024 (audited)	4,855	344,141	102,552	178,757	23,331	(69,975)	17,435	789,032	1,390,128	240,077	1,630,205
Profit for the period	–	–	–	–	–	–	–	26,268	26,268	66,191	92,459
Other comprehensive income for the period:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	319	–	–	319	–	319
Exchange differences on translation of foreign operations	–	–	–	–	–	–	328	–	328	–	328
Total comprehensive income for the period	–	–	–	–	–	319	328	26,268	26,915	66,191	93,106
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	136,000	136,000
Acquisition of additional interests in subsidiaries without change in control	–	–	–	–	–	–	–	(157,609)	(157,609)	(113,471)	(271,080)
Deemed disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(136,419)	(136,419)
At 30 June 2024 (unaudited)	4,855	344,141*	102,552*	178,757*	23,331*	(69,656)*	17,763*	657,691*	1,259,434	192,378	1,451,812

* These reserve accounts comprise the consolidated reserves of RMB1,254,579,000 at 30 June 2024 in the condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent										Total equity RMB'000
	Share capital RMB'000	Share premium account RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Asset revaluation RMB'000	Fair value reserve of financial assets at fair value through other comprehensive RMB'000	Exchange fluctuation RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2023 (audited)	4,855	344,141	102,552	177,666	23,331	(82,357)	16,733	941,960	1,528,881	233,993	1,762,874
Profit for the period	–	–	–	–	–	–	–	4,823	4,823	591	5,414
Other comprehensive income for the period:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	7,214	–	–	7,214	–	7,214
Exchange differences on translation of foreign operations	–	–	–	–	–	–	1,524	–	1,524	–	1,524
Total comprehensive income for the period	–	–	–	–	–	7,214	1,524	4,823	13,561	591	14,152
At 30 June 2023 (unaudited)	4,855	344,141*	102,552*	177,666*	23,331*	(75,143)*	18,257*	946,783*	1,542,442	234,584	1,777,026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	161,714	26,075
Adjustments for:		
Depreciation of property, plant and equipment	3,048	4,552
Depreciation of right-of-use assets	22	22
Amortisation of intangible assets	1	2
Loss on disposal of items of property, plant and equipment	—	—
Other interest income from financial assets at fair value through profit or loss	—	—
Deemed investment income from disposal of subsidiaries	(45,720)	—
Share of profits of joint ventures and an associate	(1,226)	(1,048)
Finance costs	94,225	16,525
Interest income	(317)	(1,199)
	211,747	44,929
Decrease/(increase) in properties under development	994,775	(154,236)
Decrease/(increase) in completed properties held for sale	(344,152)	105,947
Decrease/(increase) in inventories	(35,230)	999
Increase in trade receivables	(565)	6,215
Decrease/(increase) in prepayments, other receivables and other assets	(25,416)	77,056
(Increase)/decrease in pledged deposit	(502)	(3,130)
Increase in restricted bank balance	42,513	(155,434)
(Decrease)/increase in trade and bills payables	30,194	(196,374)
Increase in other payables and accruals	67,683	(232,646)
(Decrease)/increase in contract liabilities	(908,115)	456,304
Cash generated from operations	32,932	(50,370)
Tax paid	15,750	(15,894)
Net cash flows from operating activities	48,682	(66,264)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(285)	(1,469)
Loss on disposal of items of property, plant and equipment	1,343	5
Purchase of intangible assets	—	—
Purchases of financial assets at fair value through profit or loss	—	—
Proceeds from disposal of financial assets at fair value through profit or loss	—	—
Proceeds from disposal of an associate	—	—
Income from financial assets at fair value through profit or loss	—	—
Proceeds from disposal of subsidiaries	34,789	—
Interest received	317	1,199
Net cash flows from investing activities	36,164	(265)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other loans	173,600	259,500
Repayment of bank loans	(228,337)	(320,595)
Principal portion of lease payments	—	—
Interest paid	(45,344)	(65,696)
Net cash flows from/(used in) financing activities	(100,081)	(126,791)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,235)	(193,320)
Cash and cash equivalents at beginning of period	203,689	334,775
Effect of foreign exchange rate changes, net	328	1,524
CASH AND CASH EQUIVALENTS AT END OF PERIOD	188,782	142,979
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	199,839	529,493
Less: Pledged deposits	10,651	19,324
Restricted cash	406	367,190
	188,782	142,979

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at 18 Anning Street, Yuci District, Jinzhong City, Shanxi Province, the People's Republic of China (the "PRC").

The Company is an investment holding company and its subsidiaries are principally engaged in property development with focus on development projects of residential and commercial properties.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, wealth management products and equity investment which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the annual financial statements for that financial year of the Group but is derived from those financial statements. BDO Limited, the auditor of the Company, has reported on those financial statements on 27 March 2024. The auditor's opinion was not modified but included a reference to a matter to which the auditor drew attention for material uncertainty related to going concern. The unaudited condensed consolidated interim financial information has not been audited, but has been reviewed by the Audit Committee.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial statements.

The Company have applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2023 annual report, except for the following new standards and amendments which apply for the first time in 2024. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or the required accounting is consistent with the Group's current accounting policies. The following new standards and amendments are effective for the period beginning 1 January 2024.

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

The adoption of these new or amended HKFRSs did not have any material impact on the Group's accounting policies.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the six months ended 30 June 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<i>Revenue from contracts with customers</i>	1,068,552	237,865
<i>Revenue from other sources</i>		
Property leasing income	969	2,290
	1,069,521	240,155

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Type of goods or services		
Sale of properties	1,068,552	237,865
Total revenue from contracts with customers	1,068,552	237,865
Timing of revenue recognition		
Goods transferred at a point in time	1,068,552	237,865

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers *(continued)*

(a) Disaggregated revenue information *(continued)*

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Other income		
Bank interest income	317	1,199
Interest income from third parties	30	—
Gross rental income	1,138	1,771
Others	6,375	853
	7,860	3,823

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cost of properties sold	812,586	173,684
Depreciation of property, plant and equipment	3,048	4,552
Depreciation of right-of-use assets	22	22
Amortisation of intangible assets	1	2
Lease payments not included in the measurement of lease liabilities	—	44
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	4,828	7,953
Pension scheme contributions	681	815
Staff welfare expense	951	1,515
	6,460	10,283
Bank interest income	(317)	(1,199)
Interest income from third parties	(30)	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The major components of the Group's income tax expense are as follows:

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Current tax:		
Income tax charge	34,287	23,130
Land appreciation tax	—	10,094
Deferred tax	34,968	(12,563)
Total tax charge for the period	69,255	20,661

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share attributable to ordinary equity holders of the parent is based on the following data:

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	26,268	4,823

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

	For the six months ended 30 June	
	2024 '000 (unaudited)	2023 '000 (unaudited)
Shares: Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	600,000	600,000

The Group did not have any dilutive potential ordinary shares during the six months ended 30 June 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of RMB285,373 (the six months ended 30 June 2023: RMB1,469,000).

During the six months ended 30 June 2024, the Group disposed of assets with a cost of RMB3,031,619 (the six months ended 30 June 2023: RMB5,000).

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within 3 months	545	—
3 to 6 months	—	—
6 to 12 months	—	2,164
Over 12 months	2,184	—
	2,729	2,164

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables at the end of the Reporting Period, based on the payment due dates, is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Less than 1 year	148,456	188,785
1 to 2 years	126,582	272,331
2 to 3 years	255,169	220,431
3 to 4 years	220,050	82,576
4 to 5 years	64,440	275
Over 5 years	39,633	59,738
	854,330	824,136

12. DIVIDENDS

The Board did not declare any interim dividend for the six months ended 30 June 2024 (the six months ended 30 June 2023: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Carrying amount at end of period/year	4,139,717	5,071,498
Less: Current portion	(3,861,387)	(4,825,851)
Non-current portion	278,330	245,647

Properties under development expected to be recovered:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within one year	538,847	1,390,392
After one year	3,600,870	3,681,106
	4,139,717	5,071,498

At 30 June 2024, certain of the Group's properties under development with a carrying value of approximately RMB1,768,733,000 (31 December 2023: RMB2,151,288,000) were pledged to secure bank loans granted to the Group (note 17).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Listed equity investment, at fair value	62,761	62,336

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

15. COMPLETED PROPERTIES HELD FOR SALE

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Carrying amount at beginning of period/year	915,170	1,143,239
Transfer from properties under development	1,156,738	53,823
Transfer to cost of properties sold	(812,586)	(199,915)
Transfer to asset classified as held for sales	—	(55,920)
Impairment during the period/year	—	(26,057)
Carrying amount at end of period/year	1,259,322	915,170

The aggregated carrying value of certain of the Group's completed properties held for sale as at 30 June 2024 was approximately RMB288,906,000 (31 December 2023: RMB84,163,000) (note 17).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Total cash and bank balances, including pledged deposits	199,839	256,757
Less: Pledged deposits	(10,651)	(10,149)
Restricted cash	(406)	(42,919)
Cash and cash equivalents	188,782	203,689

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. INTEREST-BEARING BANK BORROWINGS AND OTHER BORROWINGS

	30 June 2024			31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
	Current					
Bank loans – secured	5.40 – 8.65	2024-2025	782,538	5.00 – 8.65	2024	1,158,782
Bank loans – unsecured	6.50 – 7.00	2024-2025	1,601,300	7.00 – 7.44	2024	1,601,500
Other borrowings – secured	2.80	2024-2025	32,500	2.80	2024	16,000
Other borrowings – unsecured	15.00	2024-2025	37,000	6.00 – 15.00	2024	39,500
			2,453,338			2,815,782

	30 June 2024			31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
	Non-current					
Bank loans – secured	6.75 – 8.65	2025-2028	331,608	–	–	–
Bank loans – unsecured	–	–	–	–	–	–
Other borrowings – secured	2.80	2025	17,500	2.80	2025	35,000
Other borrowings – unsecured	–	–	–	15.00	2025	7,000
			349,108			42,000
			2,802,446			2,857,782

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. INTEREST-BEARING BANK BORROWINGS AND OTHER BORROWINGS *(continued)*

Notes:

As at 30 June 2024, the Group's bank and other borrowings are secured by:

- (i) mortgages over the Group's property under development, which had a net carrying value at the end of the reporting period of approximately RMB1,768,733,000 (31 December 2023: RMB2,151,288,000);
- (ii) mortgages over the Group's completed properties held for sale, which had a net carrying value at the end of the reporting period of approximately RMB288,906,000 (31 December 2023: RMB84,163,000);
- (iii) mortgages over the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB24,199,000 (31 December 2023: RMB24,705,000);
- (iv) shares of subsidiaries of Chen Xing, Jinzhong Chenxing Shiguang Zhicheng Real Estate Development Co., Ltd., Jinzhong Chenxing Yijun Real Estate Development Co., Ltd., and Hainan Youshenghongtao Real Estate Development Co Ltd.; and
- (v) the guarantees provided by the Company, the subsidiary of the Group, the director of the Company and the Company's controlling shareholder.

18. COMMITMENTS

The Group had the following capital commitments at the end of the Reporting Period:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Contracted, but not provided for:		
Property development activities	676,870	944,589
Capital contribution payable to joint ventures	252,950	252,950
	929,820	1,197,539

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

At 30 June 2024 and 31 December 2023, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Guarantees given to banks in respect of mortgage facilities granted to the purchasers of the Group's properties	1,043,402	1,353,815

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to those banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends at the execution of individual purchaser's collateral agreement.

The Group did not incur any material losses during the Reporting Period in respect of the guarantees provided for mortgage facilities granted to the purchasers of the Group's completed properties held for sale. The Directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Name	Relationship
Mr. Bai Xuankui	Director, the ultimate controlling shareholder
Mr. Bai Guohua	Director, the ultimate controlling shareholder
Mr. Bai Wukui	Director, the ultimate controlling shareholder
Mr. Dong Shiguang	Director
Ms. Bai Lihua	The daughter of Mr. Bai Xuankui
Shanxi Wanjia Property Management Co., Ltd. [" Shanxi Wanjia "]	Company controlled by the daughter of Mr. Bai Xuankui
Shanxi Wanzhong Heating Co., Ltd. [" Shanxi Wanzhong "]	Company controlled by the daughter of Mr. Bai Xuankui
Xi'an Agile Consulting Co., Ltd. [" Xi'an Agile "]	Shareholder of a subsidiary
Shanxi Greentown Property Service Co., Ltd. [" Shanxi Greentown Property "]	A joint venture

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS *(continued)*

- (a) In addition to the transactions detailed elsewhere in these interim condensed consolidated financial statements, the Group had the following transactions with related parties during the Reporting Period:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Property management service from:		
Shanxi Greentown Property	121	220
Shanxi Wanjia	—	23
	121	243
Interest expense from:		
Shanxi Wanzhong	2,062	1,508
Shanghai Xuanyu	7,939	—
Bai Xuankui	4,420	—
Bai Wukui	123	—
Bai Lidong	121	—
Shanxi Wanjia	5,737	—
	20,402	1,508

- (b) Other transactions with related parties:

Mr. Bai Xuankui has guaranteed certain of the Group's bank loans up to RMB2,593,732,597 (31 December 2023: RMB2,583,137,000) as at the end of the Reporting Period (note 17).

Mr. Bai Wukui has guaranteed certain of the Group's bank loans up to RMB243,982,543 (31 December 2023: RMB379,415,000) as at the end of the Reporting Period (note 17).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS *(continued)*

(c) Outstanding balances with related parties:

The Group had the following balances with its related parties during the Reporting Period:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Due from joint ventures	1,383	1,220
Due from related parties	2,139	44,097
Due to related parties	188,679	216,292
Due to directors	63,695	63,694
Due to joint ventures	3,894	3,984

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Short term employee benefits	993	906
Pension scheme contributions	57	51
Total compensation paid to key management personnel	1,050	957

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	62,761	—	—	62,761

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	62,336	—	—	62,336

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. DISPOSAL OF SUBSIDIARIES

On 25 January and 26 January 2024, the Company received the disposal consideration of RMB34,789,345 (equivalent to approximately HK\$37,506,432 for the disposal of Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司) (“**Jinzhong Development**”), which in turn owns and controls approximately 67% of the equity interest in Jinzhong Xiya Real Estate Development Co., Ltd.* (晉中熙雅房地產開發有限公司) (“**Jinzhong Xiya**”). Upon completion of the disposal, Jinzhong Development and Jinzhong Xiya will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Group.

Net assets of Jinzhong Development as at the date of completion of the transaction are as follows:

	Jinzhong Development RMB'000 (unaudited)
Cash and cash equivalents	17,016
Restricted cash	1,133
Prepayments, other receivables and other assets	1,169,061
Properties under development	2,270,144
Completed properties held for sale	55,917
Property, plant and equipment	64
Deferred tax assets	31,385
Trade and bills payables	(312,324)
Contract liabilities	(713,513)
Tax payable	(8,866)
Other payables and accruals	(2,105,576)
Interest-bearing bank and other borrowings	(178,000)
Non-controlling interests	(136,419)
Equity attributable to owners of the parent	90,022
Waiver of amount due to the Group	(100,953)
Gains on disposal of subsidiaries	45,720
Total consideration	34,789
Payment method:	
Cash	34,789
Net cash inflow from disposal:	
Cash consideration	34,789
Cash and bank balance disposed	17,016
	17,773

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. ACQUISITION OF ADDITIONAL INTERESTS IN SUBSIDIARIES WITHOUT CHANGE IN CONTROL AND CAPITAL INJECTION INTO SUBSIDIARIES

On 8 January 2024, the Company and Sichuan Changxing Industrial (Group) Company Limited* (四川長興實業(集團)有限公司) (“**Sichuan Changxing**”) entered into an equity transfer agreement. Pursuant to the terms of the equity transfer agreement, the Company has conditionally agreed to purchase and Sichuan Changxing has conditionally agreed to sell the 16.1074% equity interest in Sichuan Chenxing Real Estate Development Co., Limited* (四川辰興房地產發展有限公司) (“**Sichuan Chenxing**”) (the “**Acquisition**”) at the consideration of RMB45,000,000. Upon completion of the acquisition, the Company will hold the entire equity interest in Sichuan Chenxing and Sichuan Chenxing will become an indirect wholly-owned subsidiary of the Company. On 8 January 2024, Sichuan Changxing and Sichuan Chenxing made capital injection of RMB136,000,000 and RMB154,000,000 into the registered capital of Mianyang Chenxing Yazhi Real Estate Development Co., Limited* (綿陽辰興雅致房地產發展有限公司) (“**Mianyang Chenxing**”), respectively (the “**Capital Injection**”). Pursuant to the equity transfer agreement and capital injection agreement, part of the capital injection made by Sichuan Changxing shall be set off by the consideration for the Acquisition of RMB45,000,000. The remaining capital injection will be satisfied by dividends payable and certain outstanding indebtedness. Upon completion of the Capital Injection, Sichuan Changxing and Sichuan Chenxing will hold 40% and 60% equity interest in Mianyang Chenxing, respectively, and Mianyang Chenxing will remain a subsidiary of the Company. There will be no additional cash or fund injected into Mianyang Chenxing in the Capital Injection.



CHEN XING