



北京建設 BPHL
BEIJING PROPERTIES (HOLDINGS) LTD

(incorporated in Bermuda with limited liability)
Stock Code: 925

Interim Report 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. QIAN Xu (*Chairman*)
Mr. SIU Kin Wai (*Chief Executive Officer*)
Mr. ZHAO Jiansuo
Mr. ZHANG Xudong (*President*)
Mr. DONG Qilin
Mr. LI Changfeng
Mr. CHENG Ching Fu (*Chief Financial Officer*)
Mr. YU Luning
Mr. NG Kin Nam

Independent Non-Executive Directors

Mr. GOH Gen Cheung
Mr. ZHU Wuxiang
Mr. James CHAN
Mr. SONG Lishui
Mr. XIE Ming

AUDIT COMMITTEE

Mr. GOH Gen Cheung (*Chairman*)
Mr. ZHU Wuxiang
Mr. James CHAN
Mr. SONG Lishui
Mr. XIE Ming

INVESTMENT AND RISK MANAGEMENT COMMITTEE

Mr. SIU Kin Wai (*Chairman*)
Mr. ZHANG Xudong
Mr. DONG Qilin
Mr. LI Changfeng
Mr. CHENG Ching Fu

NOMINATION COMMITTEE

Mr. James CHAN (*Chairman*)
Mr. GOH Gen Cheung
Mr. QIAN Xu
Mr. YU Luning
Mr. SONG Lishui
Mr. XIE Ming

REMUNERATION COMMITTEE

Mr. GOH Gen Cheung (*Chairman*)
Mr. YU Luning
Mr. James CHAN
Mr. SONG Lishui
Mr. XIE Ming

COMPANY SECRETARY

Mr. CHENG Ching Fu

STOCK CODE

925

AUTHORIZED REPRESENTATIVES

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Mr. SIU Kin Wai

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AUDITOR

Ernst & Young

WEBSITE

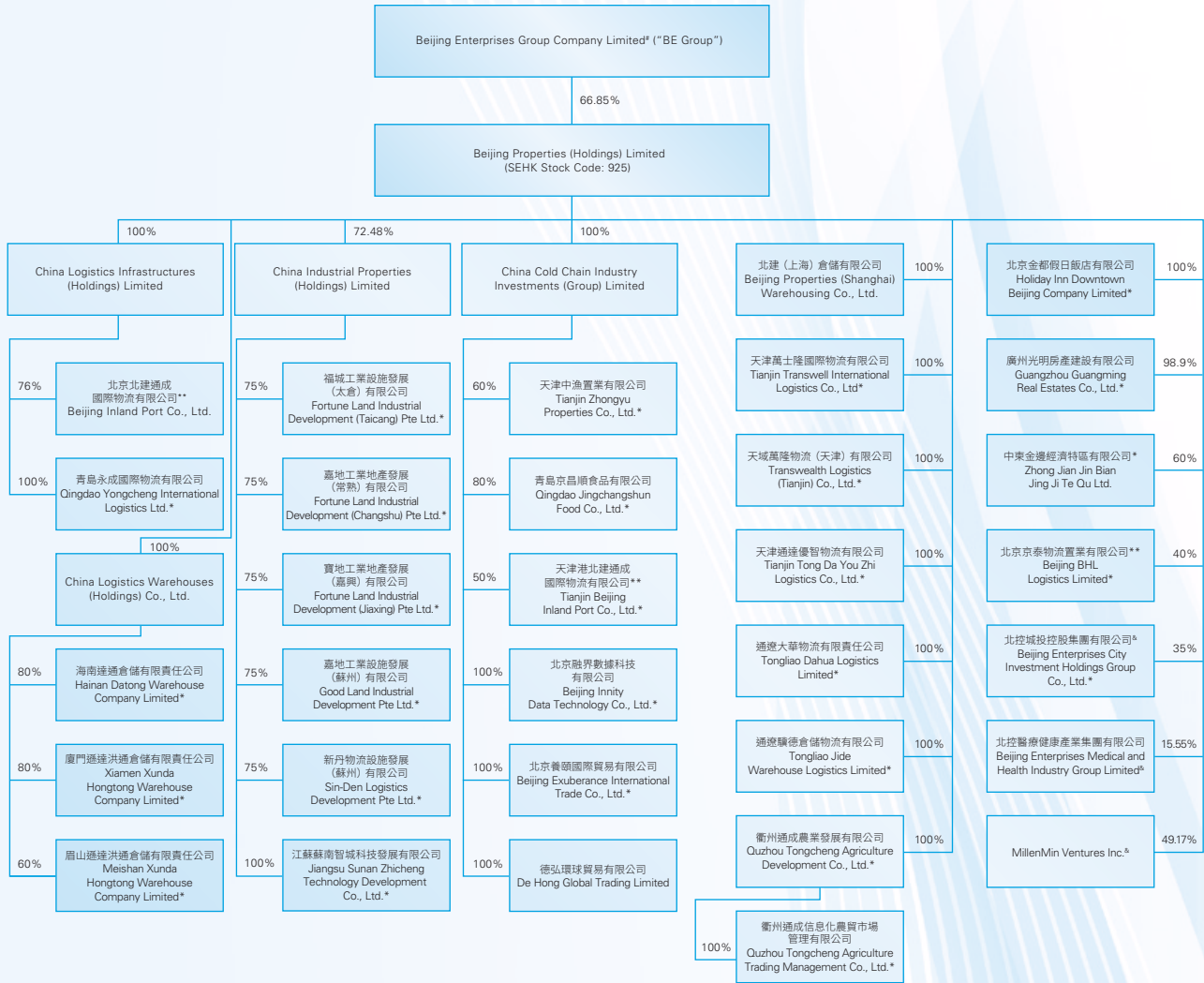
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PRINCIPAL BANKERS

China CITIC Bank International Ltd
Shanghai Pudong Development Bank Co., Ltd
China Everbright Bank Co. Ltd.
Taipei Fubon Commercial Bank Co. Ltd
Industrial and Commercial Bank of China Limited

GROUP STRUCTURE

As at 30 June 2021



* BE Group indirect held 66.85% of the issued share capital of Beijing Properties (Holdings) Limited (the "Company") through its wholly-owned subsidiaries

* For identification purpose only

** Joint venture

‡ Associate

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2021 (the “2021 Period”), the Group recorded a consolidated loss attributable to the shareholders of the Company of approximately HK\$102.01 million, representing a decrease of approximately HK\$35.03 million as compared to the consolidated loss attributable to the shareholders of the Company of approximately HK\$137.04 million recorded in the six months ended 30 June 2020 (the “2020 Period”).

BUSINESS REVIEW

The Group is the only Hong Kong-listed company engaged in property-related business under its ultimate controlling company, Beijing Enterprises Group Company Limited (“BE Group”). The Group positions itself as a professional property developer that engages in businesses such as logistics property, cold chain property, industrial property and commercial property, as well as primary land development. As a developer, our profit is primarily derived from the profits from the sales of its projects.

The Group’s business development model is divided into four stages, which are: financing – investment – cultivation and disposal.

Due to the relatively large upfront investment and the fact that investment principal is mostly funded by loans, a high gearing ratio is an unavoidable phenomenon.

Since 2009, the Group has invested large capital sums in China and abroad to invest in and develop projects located in prime real estate locations. Along with stable project income and the stable growth of the Chinese economy, capital values of certain projects have grown at satisfactory rates as compared to their primary inputs. The Group has conducted in-depth exploration and attempts at disposing of part of its logistics assets in 2019, and plans to continuously dispose of part of its logistics assets and industrial property assets in 2021, to complete the construction of the Group’s entire business model. Such disposals will recover a significant amount of funds for the Group, such that the goals of debt reduction, reinvestment and fund allocation in the Group’s business model can be realised. Leveraging its own strength as a state-owned enterprise, the Group will purchase and develop more land in prime locations, in order to further enhance our levels of participation in the logistics, industrial and cold chain industries, and, at the same time, develop our asset-light business model by combining and finding a balance between asset-heavy and asset-light approaches, and further consolidate our long-term profitability and model of capital gains.

The progress of each of the Group’s projects will be explained in the analysis of the respective business segments below.

MANAGEMENT DISCUSSION AND ANALYSIS

1) High-end and Modern General Warehouses

The Group has been establishing a network of modern warehouses in prime locations across China to provide the infrastructure needed by e-commerce and import and export trade of the nation. These locations include Beijing, Shanghai, Tianjin, Xiamen, Haikou, Tongliao, Taicang, Qingdao and so on. Their particulars are as follows:

Location of warehouses	Notes	Planned and owned area (sq. m.)	Operating leaseable area (sq. m.)	Average occupancy rate for the six months ended 30 June	
				2021 (%)	2020 (%)
Tongzhou District, Beijing ^Δ	(a)	623,008	307,166	98.85	100
Pudong District, Shanghai [#]	(b)	211,555	211,555	53.37	62.14
Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) [#]	(c)	57,670	57,670	92.69	92.81
Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) [#]	(d)	16,083	16,083	100	100
Tong'an District, Xiamen	(e)	92,466	92,466	100	100
Dongpo District, Meishan	(f)	97,809	97,809	66.41	57.05
Chengmai District, Hainan	(g)	48,702	48,702	99.53	99.07
Ke'erqin District, Tongliao	(h)	31,113	31,113	70.61	51.34
Taicang, Jiangsu	(i)	142,010	142,010	53.45	—*
Jiaozhou, Qingdao	(j)	145,170	—	—*	—*
		<u>1,465,586</u>	<u>1,004,574</u>		

^Δ A joint venture of the Group

[#] These projects have been classified as held for sale as the Group intends to dispose of them. For details, please refer to the announcements of the Company dated 4 September 2019, 10 September 2019 and 29 October 2019.

* Projects under construction

MANAGEMENT DISCUSSION AND ANALYSIS

- (a) Majuqiao Logistics Park is the largest investment project to be developed and operated by Beijing Inland Port Co., Ltd. ("BIPL") and the Group. It will become one of the largest comprehensive logistics facilities in northern China upon completion. The whole project will be completed in five phases as follows:

	Date of Land Acquisition	Commencement date of the Construction	Completion date of the Construction	Leaseable area (sq. m.)	Occupancy rate	Remark
Phase I	Nov 2015	Sep 2016	Sept 2018	147,849	97.89%	
Phase II						
Lot 1	Nov 2015	Feb 2017	Nov 2018	84,535	100.00%	
Lot 2	Nov 2015	Apr 2018	Jun 2020	50,085	100.00%	Delivered to customers for use in July 2020
Lot 3	Nov 2015	Apr 2018	Jun 2020	24,696	97.50%	Delivered to the partner in Nov 2020 pursuant to the cooperation contract
Phase III	Dec 2018	Mar 2019	Q4 of 2021	125,936	–	Roof-sealing work has been completed. Secondary underground structure has been completed. 95% of the secondary surface structure has been completed
Phase IV	–	–	–	74,835	–	Preliminary application process is being expedited
Phase V	–	–	–	115,072	–	Preliminary application process is being expedited
				623,008	98.85%	

- (b) The continuance of the novel coronavirus ("COVID-19") epidemic dealt a huge blow to international trade. In addition, the International Maritime Organisation has implemented the Low Sulphur Fuel Surcharge. Therefore, the international trade, shipping and logistics industries, in which the tenants of the Shanghai subsidiary operate, have been materially and adversely affected. Furthermore, the continuous expansion of free-trade zones with more diversified functions across the country as well as establishment of the Lingang New Area of the Shanghai Free-Trade Zone have brought great challenges to the marketing efforts of the Shanghai subsidiary. Nevertheless, the Shanghai warehouse has secured the renewal of leases with its customers by actively retaining existing customers, providing solutions to customers by fully utilising its own resources and strengthening its strategic cooperation with local park management so as to retain and stabilise business with sincerity. Through tireless efforts, a substantial amount of leases have been renewed while average occupancy rate reached 53.37% in the first half of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

- (c) The Tianjin (Tianjin Airport Zone) warehouse is still the sole warehouse supervised by Customs within the Tianjin Binhai International Airport area. Within the warehouse, the overall average occupancy rate of Phases I and II of Transwealth Logistics (Tianjin) Co., Ltd. (“Transwealth Logistics”) and Tianjin Transwell International Logistics Co., Ltd. (“WSL Logistics”) together for the first half of 2021 was 92.69%.
- (d) The Tianjin (Tianjin Port Zone) warehouse is located in the Tianjin Port Bonded Zone. This project has a total land area of 30,003 sq. m. and a total gross floor area of 16,083 sq. m. The project is currently fully leased to Kerry EAS Logistics Limited Tianjin Branch. The contract was renewed in 2020. With constantly full occupancy, revenue remained stable.
- (e) The Group operates five warehouses and two auxiliary buildings in Xiamen, Fujian Province with a total leaseable area of 92,466 sq. m. These warehouses have been leased to a major player in the e-commerce industry in China, while the auxiliary buildings have been leased to a local industrial company. Full occupancy has been achieved and maintained between May 2018 and June 2021.
- (f) The Group operates four warehouses in Dongpo District, Meishan, Sichuan Province with a total leaseable area of approximately 97,809 sq. m. In June 2020, the lease of a major tenant expired and was not renewed. Add to that the impact of the COVID-19 epidemic and the fierce competition from surrounding markets, and the occupancy rate of the Meishan project plunged. However, with the team’s ceaseless effort, the occupancy rate recorded a significant increase since the end of 2020 and reached 70.76% as at the end of June 2021, while the average occupancy rate was 66.41% for the first half of 2021.
- (g) The Group operates two warehouses in Chengmai County, Haikou, Hainan Province with a total leaseable area of 48,702 sq. m. The average occupancy rate was 99.53% for the first half of 2021 following the signing of new lease contracts with a major e-commerce company and a well-known logistics company since 2019.
- (h) The Group’s Tongliao project is leased out as a logistics warehousing facility before commercial development. The project is strategically situated at a convenient location in the downtown area of Tongliao close to the high speed rail station, with well-developed commercial facilities in its proximity.
- (i) The Sin-Den project in Taicang, Jiangsu, consists of 2-storeyed high-end modern general warehouses with a floor area of approximately 150,524 sq. m. and a leaseable area of approximately 142,010 sq. m. The construction work on the land was completed in November 2020. The occupancy rate as at the end of June 2021 was 55%. As the metropolitan area of Shanghai continues to grow, certain industries inevitably have to relocate. With its prime location, it is believed that this project will be quickly leased out.
- (j) In March 2019, the Group acquired a piece of land located in Jiaozhou Economic and Technological Development Zone, Qingdao, on the west side of Jiaoda Avenue (交大大道) and the south side of Taohe Road (洮河路). The total area of the land is approximately 113,428 sq. m. The project enjoys a convenient location near the Jiaozhou Bay Express Highway (膠州灣高速) and Jiaozhou’s airport, which will commence operation in the near future. Under this project, three 2-storeyed general warehouses and one multi-storied cold storage is planned to be constructed in conformity with international standards. The total gross floor area and total leaseable area are approximately 155,400 sq. m. and 145,170 sq. m., respectively, with a total investment of approximately RMB650 million. The project has commenced construction in October 2019 and is expected to be completed in mid-2022.

MANAGEMENT DISCUSSION AND ANALYSIS

2) Cold Chain Development

Another development focus of the Group is to establish cold chain logistics facilities across the nation, and, on such basis, further expand its cold chain business to connect both upstream and downstream through the self-developed online trading platform. The cold chain business developed by the Group mainly provides integrated services for the trading of high-value imported meat and aquatic products. With the rise of China's middle-class society, the demand for quality food is growing rapidly every year. However, due to the lack of reform in the industry for some time in the past, the cold chain industry in China remains subject to high input and low digitalisation, and recorded a relatively slow growth. Hence, no leading enterprises have emerged in the industry. This presents the Group with a great opportunity for development. The Group's cold chain business has rolled out international trade service, cold chain storage service and electronic business system development service for frozen products. Its strategic objective is to establish the best comprehensive cold chain industry service platform in China to save costs and increase revenue for its customers by making full use of information technologies while eliminating financing risk of financial institutions by realising full control over inventories, information and funds along the whole chain.

Details of the current status of the existing cold storage business are as follows:

Location of warehouses	Notes	Planned and owned storage capacity (ton)	Operating leaseable storage capacity (ton)	Average occupancy rate for the six months ended 30 June	
				2021 (%)	2020 (%)
Hangu District, Tianjin	(a)	75,000	45,000	44.89	83.52
Chengyang District, Qingdao	(b)	8,000	8,000	36.33	53.83
Tianjin Port Area of Tianjin Free-Trade Zone ^Δ	(c)	45,000	–	–*	–*
		<u>128,000</u>	<u>53,000</u>		

^Δ A joint venture of the Group

* Project under construction

MANAGEMENT DISCUSSION AND ANALYSIS

- (a) The Sino-Singapore Tianjin Eco-city cold chain warehouse is positioned to serve as a cold chain logistics hub and a processing and distribution centre for aquatic products in northern China. Occupying an area of approximately 31,301 sq. m., Phase I has both freezer and cold storage warehouses with a total storage capacity of approximately 45,000 tons. Phase II of the project has obtained government approval and preliminary work is in progress. It is expected to complete construction and be put into operation in 2023. When operation commences, the total storage capacity of the Tianjin cold chain warehouse will reach 75,000 tons, thereby creating a comprehensive distribution centre that encompasses cold chain storage, light processing, showroom and cold chain delivery services. Due to the repeated closure of the storage area as a result of COVID-19 prevention measures, the storage capacity of the cold storage decreased while COVID-19 epidemic control costs surged. As of June 2021, the combined average occupancy rate of the freezer and cold storage warehouses was 44.89 %. Since the commencement of its operation, the project has maintained sound operation and achieved stable business development.
- (b) The Qingdao cold chain warehouse is principally engaged in the operation of cold logistics storage facilities in Chengyang District, Qingdao, China. The site area and storage capacity of Phase I are approximately 15,352 sq. m. and 8,000 tons, respectively. In 2021, the impact of the continuous COVID-19 epidemic resulted in the postponement of the storage of goods by customers, the loss of certain accounts and the decrease in cold storage occupancy rate. As of June 2021, average warehouse occupancy was 36.33%. As such, Qingdao Jingchangshun Food Co., Ltd. adjusted its plan in a timely manner to attract more customers. It is currently actively negotiating a cooperation proposal with Yurun Group.
- (c) Tianjin Beijing Inland Port Co., Ltd. is a joint venture established and held by the Group and Tianjin Port Group as to 50% each. Planned gross floor area is approximately 55,000 sq. m. with a total investment of approximately RMB680,000,000. This project officially commenced construction in May 2020. The construction standard is three cold storage warehouses each occupying an area of approximately 10,000 sq. m. with a capacity of 15,000 tons. As of June 2021, about 70% of the overall construction of this project has been completed. In particular, foundational, piling and ground hardening works as well as 5,000 sq. m. of road have been completed. Notwithstanding the immense pressure posed by the COVID-19 epidemic and the surge in raw material prices, the construction of the project is being carried out at full speed with the aim of completing and putting the project into operation ahead of schedule.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of overall development of the cold chain trading business, version 1.0 (for commercial use), version H5 and App version of the online services and trading platform – Coldeal (凍品港) (formerly known as Frozen Products Exchange (凍品交易港)) (www.cciinet.com) were gradually optimized and launched with successful integration of online registration, trading and payment. The implementation of the online platform safety management plan, full product life cycle management and full media channel operation management are also completed. An evaluation of information security level protection is being conducted with the aim of upgrading the level of the security system to level 3 of security protection 2.0. As at 30 June 2021, the total number of registered users of Coldeal reached 8,342, while 234 enterprises opened stores on it. It entered into intentions of cooperation with Feimaoyunche Logistics (飛貓雲車物流), Shanghai Guangqi Cold Chain (上海廣齊冷鏈) and 冷網科技, respectively, on regional cold chain delivery services; and an intention of cooperation with Focus Media on frozen product merchant advertising. It also proactively expanded the ambassadorial channels and built up amicable relationships with meat, agriculture, husbandry and other industry organisations. Meanwhile, we have commenced in-depth strategic cooperation with enterprises in all segments along the cold chain industry chain. Services will be provided through cold storage partners at different locations. At the present stage, cooperation agreements have been reached with cold storage partners in, among other places, Dalian Bonded Logistics Park, Dalian Economic and Technological Development Zone, Fengxian District in Shanghai, Yangshan Free Trade Zone in Shanghai, Pudong New Area in Shanghai, Zhanjiang in Guangdong and Yantian District in Shenzhen. A storage network across coastal cities is basically completed. Current third-party cold chain logistics service partners include the cold chain branches of JD Logistics and SF Express. Overseas logistics service providers such as Kuehne-Nagel will be enlisted soon. Supported by the recently launched international trade services and an advanced Internet technology support system, an integrated service platform featuring the most comprehensive services and state-of-the-art technologies within the Chinese cold product industry will be established.

On 28 August 2021, Coldeal grandly held the 2nd 828 Frozen Product Exchange Festival (第二屆828凍品交易節) featuring completely online demonstration and interaction activities using Internet technologies mainly based on the Coldeal app. 80 overseas suppliers, 20 representatives from different chambers of commerce, embassies and consulates general as well as 800 domestic buyers conducted online discussion about the integration, coordination and development of the industry. The consulates general in China, meat and seafood associations and other organisations from several countries supported this event, which will effectively strengthen and promote Coldeal and enhance its reputation in the industry by demonstrating its online and offline business strengths so as to lay down the foundation for further business growth.

The Group will put the best effort in developing and promoting the cold chain business with a focus on the development of its online trading platform and the support of a full industry chain of processing and distribution centres in northern, eastern, southern and central China.

MANAGEMENT DISCUSSION AND ANALYSIS

3) Industrial Properties

As the metropolitan area of Shanghai continues to grow, certain existing high-end manufacturing industries in the region inevitably have to be relocated. Meanwhile, high-end European and U.S. enterprises remain eager to set up production bases in China. As a result, high-end industrial properties are in demand in the Yangtze River Delta. Therefore, the Group commenced the industrial property business at the end of 2016 and formed several non-wholly owned subsidiaries (held by the Group as to 75%) with SSinolog (China) Holding I Pte. Ltd. from Singapore to develop high-end factories for lease in Taicang, Changshu, Suzhou, and Changzhou in Jiangsu province, and Jiaxing in Zhejiang province. Details of these projects are as follows:

Project location	Notes	Planned and owned area (sq. m.)	Operating leaseable area (sq. m.)	Average occupancy rate for the six months ended 30 June	
				2021 (%)	2020 (%)
Taicang, Jiangsu	(a)	66,015	66,015	100	100
Suzhou, Jiangsu	(b)	61,449	61,449	100	68.44
Jiaxing, Zhejiang	(c)	90,113	90,113	39.71	15.25
Changshu, Jiangsu	(d)	169,687	169,687	94.92	41.83
Changzhou, Jiangsu	(e)	478,935	—	—*	—*
		866,199	387,264		

* Projects under construction

MANAGEMENT DISCUSSION AND ANALYSIS

- (a) This project was completed in July 2017 and its real estate ownership certificate was obtained in December 2017. It achieved full occupancy since January 2018. Many large European and U.S. smart manufacturing enterprises and high-end manufacturing enterprises are concentrated in the area where the project is located. The project has long-term leases with steady rental growth.
- (b) The land use right certificate for this project was obtained in May 2017. Construction commenced in December 2018 and completed in April 2020. The occupancy rate has been 100% since December 2020. The project is at a prime location with great accessibility and enjoys comprehensive local government funds supporting industrial development.
- (c) The land use right certificate for this project was obtained in April 2017. The project has a gross floor area of 94,455 sq. m. and was completed in May 2019. It is currently actively attracting business with an average occupancy rate of 40% for the first half of 2021. The project is in a location adjacent to Shanghai and has great accessibility. The local government provides strong support to the manufacturing industry with comprehensive industry support funds and policies in place. The concentration of European and U.S. high-end manufacturing enterprises has generated economies of scale. Standardised, high-end and customised plants have been constructed.
- (d) The land use right certificate for this project was obtained in June 2016. The project has a gross floor area of 172,693 sq. m. and was completed in May 2019. The occupancy rate as at the end of June 2021 was 100%. The project is at a prime location with well-planned facilities in the surrounding area. It has good accessibility, is in proximity to the expressway network and enjoys abundant local high-quality labour resources and ancillary facilities.
- (e) The Group also invested in an industrial park headquarters project located in Tianning Economic Development Zone in Changzhou, Jiangsu Province in January 2018. This project is planned to have a total land area of approximately 200 mu and a gross floor area of approximately 478,935 sq. m. With a total investment of approximately RMB2 billion, it will be developed in two phases. Construction of Phase I commenced in June 2019 and will be completed around March 2022, and the construction of Phase II commenced in the third quarter of 2020 and is expected to be completed in March 2022. A part of the gross floor area will be sold to speed up cash recovery. The project will be the first Internet economic platform cluster in Tianning District, Changzhou and will facilitate collective innovation and sustainable development of Internet + businesses with “intelligence sharing + smart manufacturing + smart products” by integrating three core concepts, namely smart manufacturing, smart technology and smart design. It will also perform commercial, leisure and other urban functions so as to transform Jiangsu Sunan Zhicheng Technology Park (“Jiangsu Sunan Zhicheng”) into an industrial park that combines industry, city, the Internet and smart technologies. Jiangsu Sunan Zhicheng has already signed up with Changzhou Videoworks Technology Co., Ltd. (常州網博視界科技股份有限公司) (“Changzhou Videoworks”), a high-tech enterprise in the Internet+ industry, to jointly develop the “future video production base of China”. This project is put on the list of key projects in Jiangsu Province in early 2020. Jiangsu Sunan Zhicheng was also granted the Major Investment Project Award by Tianning District, Changzhou.

As we have accumulated a certain amount of experience in industrial property investment, development and management, the Group is planning a transformation of its industry property segment from solely focusing on asset investment and disposal to incorporating sustainable elements. The industrial property team of the Group has created management brands for the industrial property segment, and will, from now on, negotiate with more business partners, particularly local governments within the Yangtze River Delta, to provide management services in relation to project investment, design, construction, marketing and disposal, so that both its business and income can achieve diversified growth. Meanwhile, once an existing project is mature, the Group will adopt an approach which is in line with that for its logistics assets, for which it will seek opportunity to sell the project at a reasonable price and to realise its strategic goals of debt reduction, reinvestment and fund allocation.

MANAGEMENT DISCUSSION AND ANALYSIS

4) Belt & Road Initiative

The Sino-Cambodian SEZ project is located in Kampong Chhnang Province, which is 65 kilometres northwest of Phnom Penh, the capital of Cambodia. It is linked to Phnom Penh by Highway 5. This project has a planned target site area of 30,000,000 sq. m. Certificate for approximately 14,667,829 sq. m. of the land has been obtained. We are proactively introducing strategic partners and actively conducting business negotiations. Currently, the compliance control design and certain municipal designs of the project have been completed. Benefiting from preferential taxation, import and export policies offered by the Cambodian government, the overall design of the SEZ covers urban functions including manufacturing and processing, logistics and commerce, technology and culture, and education and residential facilities. The project is positioned to serve Chinese enterprises under the Belt and Road Initiative and provide Chinese merchants with a clustered integrated industrial platform. The customs, commerce, labour, taxation and other departments of the Cambodian government will set up offices to offer one-stop services to enterprises within the SEZ. The Group mainly conducts primary land development in the SEZ and sells the same to Chinese enterprises upon completion of land development to realise returns on land transfer. It also provides management services in industrial parks to receive sustainable management fee income.

Currently, in terms of project planning, the Group has completed a detailed and controlled planning of the land under Phase I of the project. With the concept of “commercial parks + urban complex”, it plans to have its commercial parks dominated by light industries, supported by commercial circulation, and featuring technological research and development, education, and cultural tourism. Moreover, modern concepts such as “flexible use of land”, “sponge city” and “neighbourhood centres” will be introduced in the planning of the urban complex. Primary land construction of the project has not yet commenced due to the COVID-19 epidemic and other force majeure.

The Cambodian government is currently rolling out a number of policies to attract investments from foreign enterprises. Such policies aim at establishing a free and open economic system by offering equal treatment to foreign and domestic investors. In recent years, the Cambodian economy has been expanding rapidly at a GDP growth rate of 7% or above for five consecutive years. With an average age of less than 30, the population of Cambodia offers abundant manpower.

The execution of the RCEP agreement and the China-Cambodia Free Trade Agreement at the end of 2020 brightens up the development and construction of the Sino-Cambodian project. The Group will tightly grasp this historical opportunity to provide funding for the further development of the Sino-Cambodian project by setting up funds jointly with quality partners while refining the project with new ideas.

The Group believes that thanks to the stable and amicable long-term relation between China and Cambodia, as well as its effective control on land acquisition costs, the sale of such land will create fruitful returns for the Group in the future. Currently, overall project planning has been completed. The whole project will be developed in phases, and continuously financed by profits from land transfers and borrowings from financial institutions, and it is not expected to bring too much financial pressure to the Group. However, as a result of the COVID-19 epidemic, traffic between China and Cambodia lessened, and the planned schedule for project approval was disrupted, which caused a certain delay to the development of the project. At present, the Group is making its best efforts to overcome such difficulties and actively seeking quality partners such that its development plan can commence as soon as possible.

MANAGEMENT DISCUSSION AND ANALYSIS

5) Specialised Wholesale Market

With the approval of Quzhou government authorities, Quzhou Tongcheng Agriculture Development Co., Ltd. (“Quzhou Tongcheng”) has been approved to establish a modern agricultural wholesale market project, including an agricultural exchange zone, which may be utilised as the new location for the existing exchange centre in the city following its relocation, as well as ancillary commercial facilities. The existing trading centre was granted the status of first class wholesale centre for agricultural products, serving a population of approximately 30 million people. The Quzhou agricultural shopping mall project will be constructed and developed in two phases. Phase I has a gross floor area of 41,282 sq. m. and was officially opened in August 2015. Phase II consists of three lots. Lots I and II have a gross floor area of 153,856 sq. m. and were officially opened in November 2017. Lot III is at the stage of sketch design refinement. As at June 2021, the market had a leaseable area of 163,003 sq. m., including a wholesale trading zone, a comprehensive market trading zone, a storage service zone and a public ancillary market facility zone. For the first half of 2021, the average occupancy rates of the wholesale trading zone, the storage service zone, the comprehensive market trading zone and the public ancillary market facility zone were 75.49%, 64.2%, 41.31% and 15.84% respectively.

6) Commercial Properties

- (a) Guangzhou Guangming Real Estates Co., Ltd. (“Guangzhou Guangming”) owns a 99% interest in Metro Mall, which is situated at the Beijing Road shopping district, Yuexiu District of Guangzhou City of China. The mall has a gross floor area of approximately 61,967 sq.m., and is a commercial complex providing dining, entertainment, shopping and cultural experience to young customers aged between 16 and 28. The average occupancy rate of the owned area was approximately 89.26% for the first half of 2021.
- (b) Holiday Inn Downtown Beijing Company Limited (“BJ Holiday Inn”) is a wholly-owned subsidiary of the Group and is the owner of a four-star business and leisure hotel providing 333 elegantly decorated rooms to business travelers in North Lishi Road (near Financial Street, Xicheng District), Beijing. Due to industry-specific reasons, despite being a long time leader in terms of occupancy rates among the Beijing Holiday Inn hotel brand, the hotel’s contribution to the Group’s profit remained limited. Thus, BJ Holiday Inn signed a contract on 12 November 2019 with Beijing Shouhou Healthcare and Elderly Care Enterprise Management Limited (北京首厚康健養老企業管理有限公司) to entrust its operations. The hotel has ceased operation and commenced renovations in the first quarter of 2020. Based on the entrustment contract, the Group will see a significant increase in net profits after the renovation is completed, which is expected in the fourth quarter of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PROSPECTS

While maintaining a steady recovery, China's economy faces certain risks and challenges in 2021. For examples, the COVID-19 epidemic is still spreading across the world; the global economic conditions go on to be tough and complicated with a great deal of uncertainty; the economic recovery in China remains unstable; domestic consumption continues to be suppressed; and the growth in investment lacks momentum. Nevertheless, the positive outlook of China's economy remains fundamentally unchanged. The government has implemented a series of business-friendly and easing policies while lowering tax rates and levies with the aims of revitalising the market and fostering steady economic growth. As logistics property operators continue to enlarge their networks of modern logistics properties and invest in the logistics property market using funds, REITs and other financial instruments, the industry has turned into a battleground among "one superpower and several major players". Furthermore, thanks to the development and application of the Internet-of-things and big data technologies, logistics properties will continue to proliferate for a certain period of time in the future to fill up the gap between the overall supply of and demand for storage facilities and increase the share of mid- and high-standard warehouses.

In respect of the domestic logistics segment, the Beijing Tongzhou Port project is the major focus of Beijing Municipality. Beijing Tongzhou Logistics Park, where this project is situated, is also one of the three major logistics parks specified by the Beijing Municipality Logistics Development Plan. Upon completion, the project will combine sea, air and land freight transportation options to cover regional, domestic and international logistics nodes, further internationalise the sub-city centre, optimise and upgrade the capital's industries, and facilitate the Coordinated Development of the Beijing-Tianjin-Hebei Region.

To push ahead with its asset-light strategy, the Group established a logistics asset operation and management centre to enhance the occupancy rates and operational efficiency of its mature logistics assets. The seven projects in operation are scattered across Tianjin, Shanghai, Xiamen in Fujian Province, Haikou in Hainan Province and Meishan in Sichuan Province. Their operations remain stable with steady increase in occupancy rates, thus generating stable revenue for the Company on an ongoing basis. In the future, stable and quality projects will be disposed of and realised through asset securitisation, disposal and other methods in order to complete the Group's business model that comprises the "financing, investment, management and exit" stages.

With the constant upgrading of China's consumption structure, the rapid raise of the fresh food e-commerce industry and the numerous stimuli given by the Chinese government, the cold chain logistics industry of China entered a stage of rapid growth. With quality cold chain projects in Qingdao and Tianjin as the foundation, the domestic cold chain segment seized business opportunities to build a core online asset consisting of an online comprehensive trading centre for frozen products, and a core offline asset consisting of physical cold chain storage service. The timely launch of CCII Frozen Product Industry Integration Service Platform based on "Coldeal" will satisfy the need of clients in the frozen product industry for online trading and financing, reduce trading costs, enhance trading efficiency and provide solutions for large-scale industrial and technological development. The development of this platform will without doubt nurture a productive ecosystem for both upstream and downstream frozen product industry, reform the structure of the industry and create synergies among the resources of producers, traders and service providers.

MANAGEMENT DISCUSSION AND ANALYSIS

The industrial property sector of China is where the Group will cultivate new drivers of profit growth, build diversified business models and start engaging in the investment in industrial properties. Starting from the Yangtze River Delta Economic Zone, which is a hub for modern service and advanced manufacturing industries with global importance and one of the first locations to undergo the new round of China's reform and opening up, the Group proactively formulates its plan to make the area surrounding Shanghai its focus. It will develop and construct high-end industrial factories, logistics warehouses and smart manufacturing industrial parks in places such as Taicang, Changshu, Wuzhong, Jiaxing and Changzhou in order to attract well-established manufacturers, research and development enterprises with advanced technologies and third-party logistics companies to the area, and to provide standardised services of the highest quality. At the moment, the industrial property platform is establishing a network with seven parks in operation and under construction in the Yangtze River Delta pivoting around Suzhou. At the same time, the industrial property platform will also transform and upgrade its development model towards an asset-light operating model. Mutual understanding has been reached with the governments at various levels and state-owned asset platforms in Suzhou that future co-operation projects will mainly be financed by government funding and private capitals and managed under the Group's brands so as to quickly expand the scale of these parks and enhance the Group's brand image. Due to the fact that high-end manufacturing industries experienced rapid development as a result of China's favourable policies, and that the government strongly supports the construction of industrial parks by providing tax exemptions and allowances as well as subsidies to facilitate the investment, development and operation of such parks, developers can now obtain land at a low cost. Thus, to a certain degree, they are assured of receiving subsequent income and gains from their projects.

The sale of assets at the disposal stage of a project is currently the only means for the Group, as a diversified property developer, to crystallise asset appreciation gains. It is also the basic business model of property developers in general. At present, most of the Group's projects have been completed and put into operation with significant rise in values. In view of the development trends in the domestic real estate industry and its future development plans, the Group plans to sell some of its relatively mature assets that are ready for sale by way of equity transfers in order to complete the disposal and realisation stage in the cycle of "financing, investment, management and exit", recover cash, generate profits and reduce debts. Despite a lengthier period of development for the first cycle, the Group has acquired a number of quality projects in the past and is gradually realising their values. Therefore, it is expected that the Group's development cycle will quicken gradually and achieve sustainable profitability in the coming years. The Group will also participate more in the logistics property, industrial property, cold chain and primary land development sectors with the aim of bringing strong returns to its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit analysis

The revenue (net of value-added tax and government surcharges) for the 2021 Period amounted to approximately HK\$301.27 million, representing a decrease of approximately HK\$73.99 million or 19.72%, from approximately HK\$375.26 million for the 2020 Period. The gross profit for 2021 Period amounted to approximately HK\$213.48 million, representing an increase of approximately HK\$75.37 million, or 54.57% from approximately HK\$138.11 million for the 2020 Period.

The revenue (net of value-added tax and government surcharges) contributions of the Group's assets included:

Name of assets	2021		2020		Change	
	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %
High-end and Modern General Warehouses Business						
Shanghai	30,634		32,555		(1,921)	
Tianjin	17,241		15,509		1,732	
Xiamen	15,119		14,705		414	
Meishan	5,772		4,462		1,310	
Hainan	9,401		9,170		231	
Jiangsu	21,037		–		21,037	
Tongliao	1,217		1,050		167	
	100,421	91.21	77,451	92.13	22,970	(0.92)
Cold chain logistics warehouses						
Tianjin	29,444		25,445		3,999	
Qingdao	990		1,534		(544)	
	30,434	34.72	26,979	69.86	3,455	(35.14)
Trading						
Hong Kong	2,106		26,129		(24,023)	
Beijing	48,682		192,710		(144,028)	
	50,788	1.63	218,839	0.84	(168,051)	0.79
Specialised wholesale markets						
Quzhou Tongcheng	15,908	72.20	11,803	72.24	4,105	(0.04)
Industrial properties						
Taicang City, Jiangsu	14,242		11,052		3,190	
Suzhou City, Jiangsu	13,575		985		12,590	
Jiaxing City, Zhejiang	4,793		2,420		2,373	
Changshu City, Jiangsu	30,261		10,431		19,830	
	62,871	94.92	24,888	93.45	37,983	1.47
Commercial properties						
Guangzhou	16,686		15,302		1,384	
Beijing	24,166		–		24,166	
	40,852	96.25	15,302	93.37	25,550	2.88
The Group	301,274	70.86	375,262	36.80	(73,988)	34.06

MANAGEMENT DISCUSSION AND ANALYSIS

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the 2021 Period amounted to approximately HK\$100.42 million, representing an increase of approximately HK\$22.97 million or 29.66% from approximately HK\$77.45 million for the 2020 Period. The increase was primarily attributable to the completion of Sin-Den project in Jiangsu in the second half of 2020. The gross profit margin maintain at approximately 91.21% for the 2021 Period.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the 2021 Period amounted to approximately HK\$30.43 million, representing an increase of approximately HK\$3.45 million or 12.79% from approximately HK\$26.98 million for the 2020 Period. The increase was primarily attributable to the increase in value-added service income. The gross profit margin decreased from 69.86% for the 2020 Period to 34.72% for the 2021 Period due to the costs associated with the prevention of COVID-19.

Trading business

The revenue contribution of trading business for the 2021 Period amounted to approximately HK\$50.79 million, representing a decrease of approximately HK\$168.05 million, or 76.79% from approximately HK\$218.84 million for the 2020 Period. The decrease was primarily attributable to the impact caused by COVID-19 and looking for the changes of business model.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the 2021 Period amounted to approximately HK\$15.91 million, representing an increase of approximately HK\$4.11 million, or 34.83%, from approximately HK\$11.80 million for the 2020 Period.

Industrial properties

The revenue contribution of industrial properties for the 2021 Period amounted to approximately HK\$62.87 million, representing an increase of approximately HK\$37.98 million or 152.59% from approximately HK\$24.89 million for the 2020 Period. The increase was primarily attributable to the increase in occupancy rate of projects in Suzhou City, Jiaxing City and Changshu City.

Commercial properties

The revenue contribution of commercial properties for the 2021 Period amounted to approximately HK\$40.85 million, representing an increase of approximately HK\$25.55 million or 166.99% from approximately HK\$15.30 million for the 2020 Period. The increase was primarily attributable to the revenue from Beijing project based on the entrusted contract. The gross profit margin increased from approximately 93.37% for the 2020 Period to approximately 96.25% for the 2021 Period.

Changes in fair value of investment properties, net

During the 2021 Period, net fair value gain of investment properties was approximately HK\$32.12 million, the gain was mainly attributable to the fair value increment of properties located in Jiangsu and Zhejiang.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income and gains, net

During the 2021 Period, net other income and gains were approximately HK\$21.22 million, which represented an increase of approximately HK\$2.36 million, or 12.51%, from approximately HK\$18.86 million for the 2020 Period. The increase in net other income and gains was primarily related to the increase in foreign exchange differences.

Selling and distribution expenses

During the 2021 Period, selling and distribution expenses were approximately HK\$1.19 million, which represented an increase of approximately HK\$0.48 million, or 67.61%, from approximately HK\$0.71 million for the 2020 Period.

Administrative expenses

During the 2021 Period, administrative expenses were approximately HK\$95.53 million, which represented a decrease of approximately HK\$5.08 million, or 5.05%, from approximately HK\$100.61 million for the 2020 Period. The decrease in administrative expenses was primarily related to cost control in the 2021 Period.

Other expenses

During the 2021 Period, other expenses were approximately HK\$1.88 million, which represented a decrease of approximately HK\$4.33 million, or 69.73%, from approximately HK\$6.21 million for the 2020 Period.

Finance costs

During the 2021 Period, finance costs were approximately HK\$291.24 million, representing a decrease of approximately HK\$21.47 million, or 6.87%, from approximately HK\$312.71 million for the 2020 Period. The finance costs included: (i) interest on bank and other loans of approximately HK\$107.12 million (2020 Period: approximately HK\$98.83 million); and (ii) interest on USD guaranteed bonds of approximately HK\$184.12 million (2020 Period: approximately HK\$213.88 million). The decrease in finance cost was primarily related to the decrease in interest on USD guaranteed bonds of HK\$29.76 million as only USD750,000,000 5.95% guaranteed bonds were existed in the 2021 Period.

Share of profits of joint ventures

During the 2021 Period, the share of profits of joint ventures of approximately HK\$85.56 million was mainly contributed by BIPL. The increase in sharing profits of joint ventures for 2021 compared to 2020 was primarily related to the increase in fair value increment in investment properties of BIPL.

Share of losses of associates

During the 2021 Period, the share of losses of associates of approximately HK\$5.03 million was mainly contributed by share the results of Beijing Enterprises Medical and Health Industry Group Limited ("BE M&H"), a listed company on The Stock Exchange of Hong Kong Limited and Beijing Enterprises City Investment Holdings Group Co., Ltd. ("BE City Investment").

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

Income tax expense for the 2021 Period included current income tax of HK\$5.49 million (2020 Period: HK\$8.39 million). Deferred tax expense for the 2021 Period was HK\$31.25 million (2020 Period: HK\$76.30 million) which arose from the change in the fair value of investment properties.

Investment properties

Investment properties increased by approximately HK\$146.88 million, which was mainly due to (i) the construction of warehouse of HK\$24.56 million; (ii) the increase in fair value of HK\$32.12 million; and (iii) the exchange realignment of HK\$91.94 million.

Goodwill

Goodwill represented the acquisition in previous years for logistics warehouse business and commercial property business. There was no movement during the 2021 Period.

Interests in joint ventures

Interests in joint ventures increased by approximately HK\$115.36 million, which was mainly due to the net effect of (i) share of profits of HK\$85.56 million during 2021 Period; and (ii) share of translation reserve of HK\$25.81 million during the 2021 Period.

Interests in associates

Interests in associates decreased by approximately HK\$6.31 million, mainly due to the share of losses of HK\$5.03 million during 2021 Period.

Equity investment at fair value through other comprehensive income

Equity investment decreased by approximately HK\$5.37 million, which was due to the drop in closing market price as at 30 June 2021 of CAQ Holdings Limited comparing to the last year.

Land held for development or sale

Land held for development or sale mainly represented lands located in Cambodia for the primary land development business.

Properties under development

Properties under development represented properties located in Jiangsu for the industrial property business which was transferred from land held for development or sale. The increase in balance was mainly due to construction progress during the 2021 Period.

Cash and cash equivalents (including restricted cash)

Cash and cash equivalents decreased by HK\$326.17 million, mainly due to the net effect of (i) repayment of loans from BIPL of HK\$17.99 million; (ii) net bank loans of HK\$160.85 million drawn; (iii) interest paid of HK\$291.24 million; (iv) addition of investment properties of HK\$24.56 million; and (v) settlement for the construction cost of land held for development or sale of HK\$207.68 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Held for sale

Held for sale represented assets and liabilities from (i) Advance Wit Group, (ii) Superior Gain Group, (iii) Hong Heng Group and Integral Success and (iv) Fubao Global Group and Power Deal Group (the "Disposal Group"). The Disposal Group is required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of State-controlled assets. Up to the date of this report, the transaction has not been completed. Therefore, the assets and liabilities from the Disposal Group are classified into held for sale as at 30 June 2021. For more details, please refer to the Company's announcements dated 4 September 2019, 10 September 2019 and 29 October 2019.

Due to other related parties

Due to other related parties was mainly representing funding granted by the non-controlling shareholder of the Company's subsidiary located in Singapore, the amount is unsecured, interest-free and not repayable within one year.

Bank and other borrowings

Bank and other borrowings increased by HK\$160.85 million (non-current portion decreased by HK\$69.90 million and current portion increased by HK\$230.75 million), mainly due to the net effect of utilising to finance for the construction of projects in the PRC.

Guaranteed bonds

Guaranteed bonds represented a 3 years' period bond issued in February 2020 which has a par value of USD600 million and additionally issued in August 2020 which has a par value of USD150 million.

Liquidity and financial resources

As at 30 June 2021, for accounting purposes, the Group had total borrowings of approximately HK\$10,554.28 million (31 December 2020: approximately HK\$10,381.91 million) which included: (i) approximately HK\$4,748.72 million from bank and other borrowings; and (ii) approximately HK\$5,805.56 million from USD guaranteed bonds. The Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 177.23% (31 December 2020: approximately 169.52%).

As at 30 June 2021, the Group's balance of bank and other borrowings amounted to approximately HK\$4,748.72 million, which was denominated in United States dollars ("USD"), Hong Kong dollars ("HK\$") and Renminbi ("RMB") as to 21.01%, 14.19% and 64.80%, respectively. 44.60% of these bank and other borrowings was repayable less than one year. As at 30 June 2021, the Group's cash and bank balances amounted to approximately HK\$440.49 million, which were denominated in USD, HK\$ and RMB as to 25.98%, 2.58% and 71.44%, respectively. Bank and other borrowings of an aggregate amount of HK\$3,786.95 million bear interest at floating rates, the USD guaranteed bonds issued in February 2020 and August 2020 bear coupon rates of 5.95% per annum. The cash and bank balances, together with the unutilized banking facilities, are sufficient to finance the Group's businesses at the moment.

As at 30 June 2021, the Group's current ratio and quick ratio were approximately 121.76% and 87.69%, respectively (31 December 2020: approximately 103.86% and 101.22%, respectively).

The net total borrowings of the Group as at 30 June 2021 (total borrowings less cash and cash equivalents and restricted cash) was HK\$10,113.79 million (31 December 2020: HK\$9,615.26 million), representing an increase of HK\$498.53 million as compared to the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent liabilities

As at 30 June 2021, the Group had no contingent liabilities (31 December 2020: Nil).

Capital expenditures

During the 2021 Period, the Group spent approximately HK\$26.66 million (2020 Period: approximately HK\$199.62 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 30 June 2021, the Group had outstanding contracted capital commitments amounted to approximately HK\$721.98 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB492.30 million (equivalent to approximately HK\$591.85 million) committed for logistic facilities and industrial plants.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$126.23 million) payable for BE City Investment.
- the outstanding capital injection of approximately USD500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

Treasury policies

The Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Group's cash and cash equivalents are held mainly in HK\$, RMB and USD. Surplus cash is generally placed in short term deposits denominated in these currencies.

Foreign exchange exposure

The Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in USD. Meanwhile, fluctuations of exchanges rates would impact our net assets value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Group would record a(n) increase/decrease in our net assets value, as part of the Group's borrowings and cash balances are denominated in HK\$ and USD. During the 2021 Period, the Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on our Group.

Charges on assets

As at 30 June 2021, the Group had bank loans with principal amounts of approximately HK\$2,837.61 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Group and all of which were guaranteed by the Company.

Litigations

As at 30 June 2021, the Group had no pending litigation.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to recommended the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had a total of 515 (six months ended 30 June 2020: 526) employees. Total staff cost incurred during the 2021 Period amounted to approximately HK\$48.21 million (six months ended 30 June 2020: HK\$45.44 million)(including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

APPRECIATION

The Board would like to express our appreciation to our shareholders, customers, banks and business partners for their continuous trust and support, and also to all of our staff for their dedicated efforts in facilitating the Group's business restructuring and perseverance in face of challenges.

By Order of the Board
Beijing Properties (Holdings) Limited
Qian Xu
Chairman

Hong Kong, 31 August 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
REVENUE	4	301,274	375,262
Cost of sales and services		(87,795)	(237,154)
Gross profit		213,479	138,108
Change in fair value of investment properties, net		32,120	241,295
Other income and gains, net	4	21,220	18,856
Selling and distribution expenses		(1,194)	(712)
Administrative expenses		(95,531)	(100,610)
Other expenses		(1,881)	(6,208)
Finance costs	5	(291,238)	(312,713)
Share of profits and losses of:			
Joint ventures		85,558	52,742
Associates		(5,028)	(22,011)
PROFIT/(LOSS) BEFORE TAX	6	(42,495)	8,747
Income tax	7	(36,742)	(84,690)
LOSS FOR THE PERIOD		(79,237)	(75,943)
Attributable to:			
Shareholders of the Company		(102,007)	(137,042)
Non-controlling interests		22,770	61,099
		(79,237)	(75,943)
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	9	HK(1.46) cents	HK(1.97) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(79,237)	(75,943)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	98,046	(146,956)
– Share of other comprehensive income/(loss) of:		
Joint ventures	25,808	(24,127)
Associates	(961)	(6,363)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	122,893	(177,446)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
– Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax of nil	(5,463)	(698)
– Share of other comprehensive loss of associates	(3,924)	(3,229)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(9,387)	(3,927)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX OF NIL	113,506	(181,373)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	34,269	(257,316)
Attributable to:		
Shareholders of the Company	2,292	(307,098)
Non-controlling interests	31,977	49,782
	34,269	(257,316)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

	Notes	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		551,401	549,002
Investment properties	10	7,647,558	7,500,679
Right-of-use assets		75,763	76,594
Goodwill		123,022	123,022
Interests in joint ventures		2,026,525	1,911,166
Interests in associates		670,997	677,305
Equity investments at fair value through other comprehensive income		18,596	23,971
Prepayments, other receivables and other assets		10,159	9,768
Land held for development or sale		4,158,375	5,179,078
Pledged and restricted bank deposits		7,929	6,132
Total non-current assets		15,290,325	16,056,717
CURRENT ASSETS			
Properties under development		1,351,248	–
Properties held for sale		101,145	95,988
Inventories		13,784	8,412
Trade receivables	11	82,704	51,694
Prepayments, other receivables and other assets		249,704	224,053
Due from joint ventures		95,025	109,692
Pledged and restricted bank deposits		6,964	16,608
Cash and cash equivalents		425,591	743,910
Assets of disposal groups classified as held for sale		2,326,165	1,250,357
		2,914,103	2,854,199
Total current assets		5,240,268	4,104,556

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

	Notes	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade payables	12	445,031	342,199
Other payables and accruals		547,867	570,952
Due to a joint venture		24	1,078
Due to other related parties		53,271	17,701
Bank and other borrowings		2,117,932	1,887,177
Income tax payables		48,779	46,980
Provision for compensation		243,218	240,242
		3,456,122	3,106,329
Liabilities directly associated with the assets of disposal groups classified as held for sale		847,793	845,512
Total current liabilities		4,303,915	3,951,841
NET CURRENT ASSETS			
		936,353	152,715
TOTAL ASSETS LESS CURRENT LIABILITIES			
		16,226,678	16,209,432
NON-CURRENT LIABILITIES			
Due to a joint venture		212,562	209,961
Due to other related parties		191,678	189,392
Bank and other borrowings		2,630,785	2,700,687
Guaranteed bonds		5,805,559	5,794,046
Deferred revenue		134,849	135,314
Defined benefit obligations		13,876	13,858
Deferred tax liabilities		1,530,931	1,494,005
Total non-current liabilities		10,520,240	10,537,263
Net assets		5,706,438	5,672,169
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	13	696,933	696,933
Reserves		2,793,617	2,791,325
		3,490,550	3,488,258
Non-controlling interests			
		2,215,888	2,183,911
Total equity		5,706,438	5,672,169

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to shareholders of the Company													
	Issued capital	Share premium account	Contributed surplus	Share option reserve	Property revaluation reserve	Capital and other reserves	Financial asset revaluation reserve	Defined benefit plan reserve	Exchange fluctuation reserve	PRC statutory reserves	Retained profits	Total	Non-controlling interests	Total equity
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
At 1 January 2021	696,933	1,762,147	367,278	164,113	(9,743)	(73,921)	(118,825)	(6,996)	(176,932)	19,950	864,254	3,488,258	2,183,911	5,672,169
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(102,007)	(102,007)	22,770	(79,237)
Other comprehensive income/(loss) for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	88,839	-	-	88,839	9,207	98,046
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(5,463)	-	-	-	-	(5,463)	-	(5,463)
- Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	-	25,808	-	-	25,808	-	25,808
- Share of other comprehensive loss of associates	-	-	-	-	-	(1,334)	(2,590)	-	(961)	-	-	(4,885)	-	(4,885)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,334)	(8,053)	-	113,686	-	(102,007)	2,292	31,977	34,269
Transfer to reserve	-	-	-	-	-	-	-	-	-	1,913	(1,913)	-	-	-
Cancellation of share option	-	-	-	(102,358)	-	-	-	-	-	-	102,358	-	-	-
At 30 June 2021	696,933	1,762,147*	367,278*	61,755*	(9,743)*	(75,255)*	(126,878)*	(6,996)*	(63,246)*	21,863*	862,692*	3,490,550	2,215,888	5,706,438
At 1 January 2020	696,933	1,762,147	367,278	164,113	-	(66,137)	(128,890)	(6,917)	(733,231)	14,049	1,140,789	3,210,134	1,971,864	5,181,998
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(137,042)	(137,042)	61,099	(75,943)
Other comprehensive loss for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(135,639)	-	-	(135,639)	(11,317)	(146,956)
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(698)	-	-	-	-	(698)	-	(698)
- Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	-	-	(24,127)	-	-	(24,127)	-	(24,127)
- Share of other comprehensive loss of associates	-	-	-	-	-	(1,118)	(2,111)	-	(6,363)	-	-	(9,592)	-	(9,592)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,118)	(2,809)	-	(166,129)	-	(137,042)	(307,098)	49,782	(257,316)
Transfer to reserves	-	-	-	-	-	-	-	-	-	3,286	(3,286)	-	-	-
At 30 June 2020	696,933	1,762,147	367,278	164,113	-	(67,255)	(131,699)	(6,917)	(899,360)	17,335	1,000,461	2,903,036	2,021,646	4,924,682

* These reserve accounts comprise the consolidated reserves of HK\$2,793,617,000 (Unaudited)(31 December 2020: HK\$2,791,325,000) in the condensed consolidated statement of financial position as at 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from/(used in) operating activities	(131,668)	136,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(2,096)	(1,336)
Acquisition of investment properties	(12,784)	(307,423)
Government grants received	–	12,251
Investments in joint ventures	–	(10,969)
Investment in an equity investment	–	(6,619)
Advance to a joint venture	–	(44,128)
Repayment of loans advanced to a joint venture	18,033	44,128
Acquisition of non-controlling interests	–	(1,318,036)
Interest received	2,123	8,921
Increase in time deposits with maturity of more than three months when acquired	(14)	(99,267)
Net cash flows from/(used in) investing activities	5,262	(1,722,478)
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans	202,464	921,597
Repayment of loans	(86,259)	(300,337)
Issue of a guaranteed bond	–	4,624,049
Repayment of guaranteed bonds	–	(2,623,140)
Advanced from/(repayment to) other related parties	401	(2,543)
Interest paid	(281,155)	(295,949)
Net cash flows from/(used in) financing activities	(164,549)	2,323,677

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(290,955)	737,483
Cash and cash equivalents at beginning of period	839,152	1,100,278
Effect of foreign exchange rate changes, net	(10,196)	(29,231)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	538,001	1,808,530
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the consolidated statement of financial position	425,591	1,837,721
Add: Restricted cash and pledged deposits in connection with bank borrowings	14,893	34,963
Add: Cash and cash equivalents attributable to disposal groups held for sale	100,023	63,797
Less: Time deposits with maturity of more than three months when acquired	(2,506)	(127,951)
Cash and cash equivalents as stated in the consolidated statement of cash flows	538,001	1,808,530

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

1. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim condensed consolidated financial information does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2020 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which became effective for the first time for the current period's financial statements, as further detailed in note 2 below.

In preparing the interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group had net current assets of approximately HK\$936 million, including net current assets of HK\$2,066 million contributed by disposal groups classified as held for sale. The directors of the Company consider that the Group will be able to continue as a going concern, based on (i) the Group's internal financial resources; and (ii) the unutilised banking facilities available to the Group.

Subsequent to the reporting period in July 2021, the Group has obtained a syndicated loan of US\$65 million and HK\$195 million which is repayable in 2023. In addition, the Company has an existing plan to realise certain investments and/or properties and the Company will consider to extend the maturity date of the loan from a fellow subsidiary due 2021..

The interim condensed consolidated financial information was not audited, but has been reviewed by the Company's audit committee.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
Amendments to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

COVID-19-Related Rent Concessions beyond 30 June 2021
(early adopted)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate ("LIBOR") as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective and shall be applied retrospectively for annual periods beginning on or after 1 April 2021 with earlier application permitted.

The Group early adopted the amendment from the accounting period beginning on 1 January 2021 and the amendment did not have any impact on the financial position and performance of the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on usages of properties held and has five reportable operating segments as follows:

- a. the properties business segment engages in the leasing of commercial properties and a health care property in Mainland China and the provision of related management services;
- b. the logistics business segment engages in the leasing of general warehouses, cold chain logistic warehouses and specialised wholesale market, and the provision of related logistic and management services;
- c. the industrial business segment engages in the leasing of industrial plants and the provision of related management services;
- d. the trading business segment engages in the trading of frozen products; and
- e. the primary land development business segment engages in the sale of land held for development or sale and provision of primary land development services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment's profit/loss, which is a measure of the adjusted profit/loss before tax, except that interest income, non-lease-related finance costs, fair value gain of derivative instrument, foreign exchange difference, as well as head office and corporate income/expenses are excluded from such measurement.

Segment assets excluded amounts due from joint ventures and associates, pledged and restricted bank deposits, cash and cash equivalents, deferred tax assets, equity investments at fair value through other comprehensive income and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures and other related parties, bank and other borrowings, guaranteed bonds, income tax payables, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading Business		Primary land development business		Total	
	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000	For the six months ended 30 June 2021 (Unaudited) HK\$'000	For the six months ended 30 June 2020 (Unaudited) HK\$'000
Segment revenue:												
Sales to external customers	40,852	15,302	146,763	116,233	62,871	24,888	50,788	218,839	-	-	301,274	375,262
Segment results:												
The Group	34,995	(15,870)	97,989	313,005	60,699	13,503	(5,220)	(3,535)	(623)	(849)	187,840	306,254
Share of profits/(losses) of:												
Joint ventures	-	-	85,558	52,742	-	-	-	-	-	-	85,558	52,742
Associates	(414)	(7,462)	-	-	-	-	-	-	(4,614)	(14,549)	(5,028)	(22,011)
	34,581	(23,332)	183,547	365,747	60,699	13,503	(5,220)	(3,535)	(5,237)	(15,398)	268,370	336,985
Reconciliation:												
Bank interest income											2,123	8,921
Other interest income											2,506	2,380
Foreign exchange differences, net											5,324	(3,261)
Corporate and other unallocated income and expenses, net											(29,580)	(23,565)
Finance costs											(291,238)	(312,713)
Profit/(loss) before tax											(42,495)	8,747

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading Business		Primary land development business		Total	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	3,063,467	3,015,118	9,073,904	8,816,428	3,289,434	2,907,246	68,401	35,659	4,365,458	4,370,001	19,860,664	19,144,452
Reconciliation:												
Corporate and other unallocated assets											669,929	1,016,821
Total assets											20,530,593	20,161,273
Segment liabilities	425,537	419,640	1,016,698	1,037,225	637,933	532,665	18,021	15,444	10	11	2,098,199	2,004,985
Reconciliation:												
Corporate and other unallocated liabilities											12,725,956	12,484,119
Total liabilities											14,824,155	14,489,104

Geographical information

(a) Geographical information of revenue is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China.

(b) Non-current assets

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Mainland China	11,030,747	11,795,208
Cambodia	4,120,309	4,120,309
	15,151,056	15,915,517

The non-current asset information above is based on the location of the assets and exclude financial instruments and deferred tax assets.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

During the six months ended 30 June 2021, the Group had transactions with one external customer, including sales to a group of entities which are known to be under common control with that customer (six months ended 30 June 2020: one), which individually contributed over 10% of the Group's total revenue of HK\$39,177,000 from sale of frozen products in trading business.

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents (1) the gross rental income received and receivable from investment properties, net of value-added tax and government surcharges; (2) the management fee income from the services rendered, net of value-added tax and government surcharges; and (3) trading income, net of value-added tax and government surcharges.

An analysis of the Group's revenue, other income and gains, net is as follows:

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue		
Gross rental income from investment properties	194,679	114,070
Property management fee	24,715	14,688
Logistics and other ancillary services	31,092	27,665
Sale of frozen products	50,788	218,839
	301,274	375,262
Other income		
Bank interest income	2,123	8,921
Other interest income	2,506	2,380
Government grants	2,078	5,195
Others	9,189	5,621
	15,896	22,117
Gains, net		
Foreign exchange differences, net	5,324	(3,261)
Other income and gains, net	21,220	18,856

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interest on bank loans	71,936	91,644
Interest on loans from related parties	35,182	7,192
Interest on guaranteed bonds	184,120	213,877
	291,238	312,713

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Direct cost of rental income	12,653	7,476
Cost of services provided	25,182	12,668
Cost of goods sold	49,960	217,010
Depreciation of property, plant and equipment	10,937	17,268
Less: Amount included in cost of sales and services	(4,638)	(4,407)
	6,299	12,861
Depreciation of right-of-use assets	1,498	1,300
Impairment of rental income receivables*	-	6,160

* This item is included in "Other expenses" on the face of the condensed consolidated statement of profit or loss.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

7. INCOME TAX

No provision for Hong Kong profits tax and Cambodia corporate income tax has been made as the Group did not generate any assessable profits arising in Hong Kong and Cambodia during both periods.

PRC corporate income tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the period based on prevailing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Mainland China:		
Current	5,497	8,392
Deferred	31,245	76,298
	36,742	84,690

8. INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period attributable to shareholders of the Company and the weighted average number of 6,969,331,680 (sixth months ended 30 June 2020: 6,969,331,680) ordinary shares in issue during the period.

In respect of the diluted loss per share amounts for the six months ended 30 June 2021 and 30 June 2020, no adjustment has been made to the basic loss per share amounts presented as the impact of the share options outstanding during these periods had an anti-dilutive effect on the basic loss per share amounts presented.

10. INVESTMENT PROPERTIES

Except for certain investment properties located in Taicang, Suzhou, Jiaxing and Changshu, with a total fair value of HK\$1,081,991,000, HK\$307,766,000, HK\$394,326,000 and HK\$770,618,000 respectively, as at 30 June 2021, the fair value of the remaining properties of the Group as at 30 June 2021 was arrived at the quoted open market value by reference to the fair value of these investment properties as at 31 December 2020 because the directors of the Company do not consider there was any material change in the fair value of these investment properties during the six months ended 30 June 2021.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

11. TRADE RECEIVABLES

Trade receivables of the Group as at 30 June 2021 and 31 December 2020 included rental income receivable from tenants of the Group's investment properties, service fees receivable from customers of the Group's logistic centres and receivable from customers of trading business. The Group does not hold any collateral or other credit enhancement over its trade receivables, except for trade receivables in relation to rental income which were fully collateralised by the security deposits paid by the relevant customers.

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:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Billed:		
Within one month	32,021	17,683
One to three months	2,402	3,495
Over three months	523	947
	34,946	22,125
Unbilled:	47,758	29,569
	82,704	51,694

The Company applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. No expected credit loss allowance for trade receivables in relation to rental income from investment properties (six months ended 30 June 2020: HK\$6,160,000) was recognised during the six months ended 30 June 2021.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

12. TRADE PAYABLES

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

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Billed:		
Within one month	292	23,194
One to three months	71	8
Over three months	596	194
	959	23,396
Unbilled:	444,072	318,803
	445,031	342,199

The trade payables are non-interest-bearing and are repayable within the normal operating cycle or on demand.

13. SHARE CAPITAL

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	1,000,000	1,000,000
Issued and fully paid:		
6,969,331,680 ordinary shares of HK\$0.10 each	696,933	696,933

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

14. CAPITAL COMMITMENTS

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

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Contracted, but not provided for:		
Capital injection into an associate	126,232	124,688
Capital injection into a joint venture	3,900	3,900
Construction of logistics facilities	591,851	643,119
Total capital commitments	721,983	771,707

In addition, the Group's share of joint ventures' own capital commitments, which are contracted but not provided for and not included in the above disclosure, amounted to HK\$571,315,000 (31 December 2020: HK\$759,627,000) as at 30 June 2021.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

15. RELATED PARTY DISCLOSURES

(a) The Group entered into the following material transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interest income, net of withholding tax received or receivable from a joint venture	(i)	2,506	2,380
Interest income from a fellow subsidiary	(ii)	663	290
Interest expense to fellow subsidiaries	(iii)	34,623	5,494

Notes:

- (i) The interest income was charged on bank entrusted loans advanced to the joint venture at mutually-agreed rates.
- (ii) Pursuant to a deposit services master agreement (the "Deposit Agreement") entered into between the Company and Beijing Enterprises Group Finance Co., Ltd. ("BG Finance") on 29 June 2015, the Group may, in its ordinary and usual course of business, place and maintain deposits with BG Finance on normal commercial terms from time to time. BG Finance is a non-wholly-owned subsidiary of BE Group and acts as a platform for members of BE Group for provision of intra-group facilities through financial products including deposit-taking, money-lending and custodian services.

The term of the Deposit Agreement shall commence on the date of the Deposit Agreement and continue up to and including 31 December 2022. The daily aggregate of deposits placed by the Group with BG Finance (including any interest accrued thereon) during the term of the Deposit Agreement will not exceed HK\$400,000,000. Further details of the Deposit Agreement are set out in the Company's announcement dated 28 April 2017 and 29 October 2019.

The deposits placed by the Group with BG Finance as at 30 June 2021 amounted to HK\$232,630,000 (31 December 2020: HK\$391,605,000), of which HK\$10,761,000 is included in assets of disposal groups classified as held for sale.

- (iii) The interest expense was charged on loans from Beijing Enterprises City Development Limited and BG Finance at mutually-agreed rates.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

15. RELATED PARTY DISCLOSURES (Continued)

(b) Transactions with other state-owned entities in Mainland China

The Company is a state-owned enterprise of the PRC government and is subject to the control of the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality and ultimate control of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively the "Other SOEs"). During the period, the Group had transactions with the Other SOEs including, but not limited to, bank borrowings and deposits and utilities consumptions. The directors consider that the transactions with the Other SOEs are activities in the ordinary course of the Group's businesses, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions are individually or collectively significant related party transactions that require separate disclosure in the financial statements.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Short term employee benefits	9,011	9,219
Pension scheme contributions	1,249	442
	10,260	9,661

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group's corporate finance team headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the senior management.

The fair values of the financial assets and liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short-term maturities of these instruments, therefore, no disclosure of the fair values of these financial instruments is made.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following table sets out a comparison, by carrying amount and fair value, of the Group's financial instruments that are carried in the financial statements at other than fair value:

	Carrying amount		Fair value	
	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-current financial assets:				
Deposits and other receivables	10,159	9,768	10,159	9,768
Non-current financial liabilities:				
Due to a joint venture	212,562	209,961	198,269	195,843
Due to other related parties	191,678	189,392	183,159	169,742
Bank and other borrowings	2,630,785	2,700,687	2,674,864	2,695,715
Guarantee bonds	5,805,559	5,794,046	5,211,394	5,211,394
	8,840,584	8,894,086	8,267,686	8,272,694

17. EVENTS AFTER THE REPORTING PERIOD

In addition to the new loan obtained in July 2021 as disclosed in note 1, the Group has the following significant events after the reporting period:

On 23 August 2021, the board of directors of the Company resolved to seek a proposed mandate to dispose of 90% of the issued share capital in each of New Concord Properties Limited and New Fine International Development Limited and assignment of the sale loans by way of public tender through China Beijing Equity Exchange. Further details are set out in the Company's announcement dated 24 August 2021.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 31 August 2021.

DISCLOSEABLE INFORMATION

DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACTS OF SIGNIFICANT

No contracts of significance to which the Company or any of its holding companies, subsidiaries and fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during and at the end of the period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, the interests and short positions of the directors and the chief executive of the Company in the shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the ordinary shares of the Company:

Name of Directors	Number of ordinary shares				Total	Approximate percentage of the Company's issued share capital (Note 2)
	Personal Interest	Family Interest	Corporate interest	Other interest		
Mr. Yu Luning	9,690,000	0	0	0	9,690,000	0.139%
Mr. Ng Kin Nam	98,445,200	9,729,000	42,491,800 (Note 1)	0	150,666,000	2.162%

Notes:

- 42,491,800 ordinary shares of HK\$0.10 each in the share capital of the Company ("Shares") as at 30 June 2021 are held by Jade Investment Limited which is beneficially owned by Mr. Ng Kin Nam and the spouse of Mr. Ng Kin Nam.
- The percentage represented the number of Shares over the total issued Shares of the Company as at 30 June 2021 of 6,969,331,680 Shares.

DISCLOSEABLE INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Long position in underlying shares of the Company:

The interests of the directors and chief executives in the share options of the Company are separately disclosed in the section "Share option scheme" below.

Save as disclosed above, as at 30 June 2021, none of the directors or chief executives had registered an interest or a 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) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or the SFO.

SHARE OPTION SCHEME

The share option scheme that the Company established on 18 March 2010 (the "Scheme") was lapsed on 17 March 2020. The purpose of the Scheme is to attract and retain the best quality personnel of the Group for the development of the Group's business; to provide additional incentives to employees, officers and Directors, contractors, suppliers, advisors and consultants who have contribution to the Group; and to promote the long term financial success of the Company by aligning the interests of option holders to shareholders of the Company. The Directors of the Company may, at their discretion, invite employees (including executive Directors) and non-executive Directors of the Company and any of its subsidiaries, to take up options to subscribe for ordinary shares of the Company at HK\$1 per grant of options.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the total number of ordinary shares of the Company in issue at any time. The total number of ordinary shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to any one person must not exceed 1% of the total number of ordinary shares of the Company in issue.

An option granted under the Scheme is personal to the grantee and shall not be assignable or transferable.

The period during which an option granted under the Scheme may be exercised will be determined by the Board at their discretion, save that no option may be exercised later than 10 years after the grant date. No option may be granted more than 10 years after the date of approval of the Scheme.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Company's ordinary shares on the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the Company's ordinary shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of an ordinary share of the Company. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The exercise price of the share options is subject to adjustment in case of right or bonus issues, or other similar changes in the Company's share capital. Share Options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Following the expiry of the Scheme, no further share option can be granted, but the provisions of the Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with provisions of the Scheme.

DISCLOSEABLE INFORMATION

SHARE OPTION SCHEME (Continued)

The following table discloses movements in the Company's share options outstanding during the six months ended 30 June 2021:

Name or category of participant	Number of share options				At 30 June 2021	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2021	Granted during the period (Note 2)	Exercised during the period (Note 2)	Cancelled during the period				
Directors:								
Mr. Qian Xu	6,000,000	-	-	(6,000,000)	-	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	6,000,000	-	-	(6,000,000)	-	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	10,000,000	-	-	(10,000,000)	-	24-May-13	24-May-13 to 23-May-23	0.574
	9,000,000	-	-	(9,000,000)	-	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	4,000,000	-	-	(4,000,000)	-	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	5,000,000	-	-	(5,000,000)	-	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	40,000,000	-	-	(40,000,000)	-			
Mr. Zhao Jiansuo	1,500,000	-	-	(1,500,000)	-	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	3,200,000	-	-	(3,200,000)	-	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	4,700,000	-	-	(4,700,000)	-			
Mr. Siu Kin Wai	5,000,000	-	-	-	5,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	5,000,000	-	-	-	5,000,000	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	6,000,000	-	-	-	6,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	5,000,000	-	-	-	5,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	3,000,000	-	-	-	3,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	4,000,000	-	-	-	4,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	28,000,000	-	-	-	28,000,000			
Mr. Zhang Xudong	1,300,000	-	-	(1,300,000)	-	24-May-13	24-May-13 to 23-May-23	0.574
	2,000,000	-	-	(2,000,000)	-	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	700,000	-	-	(700,000)	-	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,000,000	-	-	(2,000,000)	-	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	6,000,000	-	-	(6,000,000)	-			
Mr. Dong Qilin	3,000,000	-	-	(3,000,000)	-	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	5,000,000	-	-	(5,000,000)	-	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	3,300,000	-	-	(3,300,000)	-	24-May-13	24-May-13 to 23-May-23	0.574
	3,500,000	-	-	(3,500,000)	-	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	2,000,000	-	-	(2,000,000)	-	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,500,000	-	-	(2,500,000)	-	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	19,300,000	-	-	(19,300,000)	-			

DISCLOSEABLE INFORMATION

SHARE OPTION SCHEME (Continued)

Name or category of participant	Number of share options				At 30 June 2021	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2021	Granted during the period (Note 2)	Exercised during the period (Note 2)	Cancelled during the period				
Mr. Li Changfeng	2,500,000	-	-	(2,500,000)	-	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	5,000,000	-	-	(5,000,000)	-	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	3,300,000	-	-	(3,300,000)	-	24-May-13	24-May-13 to 23-May-23	0.574
	3,500,000	-	-	(3,500,000)	-	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	2,000,000	-	-	(2,000,000)	-	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,500,000	-	-	(2,500,000)	-	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	18,800,000	-	-	(18,800,000)	-			
Mr. Cheng Ching Fu	1,000,000	-	-	-	1,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	3,000,000	-	-	-	3,000,000	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	2,000,000	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	2,500,000	-	-	-	2,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,000,000	-	-	-	2,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	11,500,000	-	-	-	11,500,000			
Mr. Yu Luning	5,000,000	-	-	-	5,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	5,000,000	-	-	-	5,000,000	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	4,000,000	-	-	-	4,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	4,000,000	-	-	-	4,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	3,000,000	-	-	-	3,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	22,000,000	-	-	-	22,000,000			
Mr. Goh Gen Cheung	2,000,000	-	-	-	2,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	1,837,700	-	-	-	1,837,700	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	2,000,000	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	1,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	8,337,700	-	-	-	8,337,700			
Mr. Zhu Wuxiang	2,000,000	-	-	-	2,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	2,000,000	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	1,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
		6,500,000	-	-	-	6,500,000		

DISCLOSEABLE INFORMATION

SHARE OPTION SCHEME (Continued)

Name or category of participant	Number of share options				At 30 June 2021	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2021	Granted during the period (Note 2)	Exercised during the period (Note 2)	Cancelled during the period				
Mr. James Chan	2,000,000	-	-	-	2,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	2,000,000	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	1,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	6,500,000	-	-	-	6,500,000			
Mr. Song Lishui	1,000,000	-	-	-	1,000,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
Other employees and consultants in aggregate:	75,000,000	-	-	(62,000,000)	13,000,000	28-Oct-11	28-Oct-11 to 27-Oct-21	0.465
	179,775,400	-	-	(158,600,000)	21,175,400	01-Jun-12	1-Jun-12 to 31-May-22	0.410
	110,800,000	-	-	(92,400,000)	18,400,000	24-May-13	24-May-13 to 23-May-23	0.574
	143,450,000	-	-	(117,250,000)	26,200,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	23,300,000	-	-	(18,200,000)	5,100,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	54,000,000	-	-	(39,500,000)	14,500,000	08-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	586,325,400	-	-	(487,950,000)	98,375,400			
	758,963,100	-	-	(576,750,000)	182,213,100			

Notes:

- The share options have no vesting period and the exercise price is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs "Directors' and Chief Executives' interests in shares and underlying shares" and "Share option scheme", at no time during the six months ended 30 June 2021 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children under the age of 18, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSEABLE INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, so far as was known to the directors or chief executive of the following persons (not being Directors or chief executive of the Company) had, an 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:

Long positions in shares and underlying shares of the Company:

Name	Notes	Number of shares held, capacity and nature of interest		Number of underlying shares held, capacity and nature of interest		Total	Approximate percentage of the Company's issued share capital (%)
		Directly beneficially owned	Through a controlled corporation	Directly beneficially owned	Through a controlled corporation		
Brilliant Bright Holdings Limited	(a)	1,557,792,500	–	–	–	1,557,792,500	22.35%
Beijing Enterprises Real Estate (HK) Limited	(b)	2,526,882,407	1,557,792,500	–	–	4,084,674,907	58.61%
北京北控城市發展集團有限公司 (Beijing Enterprises City Development Group Limited)	(c)	–	4,084,674,907	–	–	4,084,674,907	58.61%
Illumination Holdings Limited	(d)	87,451,458	–	–	–	87,451,458	1.25%
Beijing Holdings Limited	(e)	487,166,195	87,451,458	–	–	574,617,653	8.24%
Beijing Enterprises Group Company Limited	(f)	–	4,659,292,560	–	–	4,659,292,560	66.85%

Notes:

- (a) Brilliant Bright Holding Limited ("Brilliant Bright") holds 1,557,792,500 Shares.
- (b) Beijing Enterprises Real Estate (HK) Limited ("BEREHK") (i) holds 2,526,882,407 Shares; and (ii) is deemed to be interested in the 1,557,792,500 Shares of Brilliant Bright by virtue of its controlling interests in its wholly-owned subsidiary, Brilliant Bright.
- (c) BEREHK is a wholly-owned subsidiary of Beijing Enterprises City Development Group Limited ("BE City"). BE City is deemed to be interested in the Shares which BEREHK is interested in.
- (d) Illumination Holdings Limited ("Illumination") holds 87,451,458 Shares.
- (e) Beijing Holdings Limited ("BHL") (i) holds 487,166,195 shares; and (ii) is deemed to be interested in the 87,451,458 Shares of Illumination by virtue of its controlling interests in its wholly-owned subsidiary, Illumination. BHL is deemed to be interested in the Shares which Illumination is interested in.
- (f) BE City and BHL are wholly-owned subsidiaries of BE Group. BE Group is deemed to be interested in the Shares which BE City and BHL are interested in.

Save as disclosed above, as at 30 June 2021, no person whose interests had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DISCLOSEABLE INFORMATION

CHANGES IN INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

Biographical details of the Directors are available on the Company's website.

There is no other change in the Directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2020 annual report of the Company up to the date of this interim report.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

As at the date of this report, details of the agreements (the "Agreement(s)") with covenants relating to specific performance by the controlling shareholder which constitute disclosure obligation pursuant to Rules 13.18 and 13.21 of the Listing Rules are as follows:

Date of the Agreement(s)	Nature of the Agreement(s)	Aggregate amount	Final maturity	Specific performance obligations
7 June 2018	Revolving loan facility with a bank	HK\$200 million	–	Note 1
21 February 2019	Revolving loan facility with a bank	HK\$350 million	–	Note 1
13 June 2019	Term loan facility with a bank	HK\$182 million and USD6.5 million	June 2022	Note 1
23 September 2019	Revolving loan facility with a bank	HK\$180 million	–	Note 1
24 February 2020	Subscription agreement for issuance of bonds	USD600 million	February 2023	Note 1
17 March 2020	Term loan facility with a bank	USD100 million	March 2023	Note 1
7 August 2020	Subscription agreement for issuance of bonds	USD150 million	February 2023	Note 1
14 October 2020	Term loan facility with a bank	USD29.2 million and RMB78.75 million	October 2022	Note 1
9 June 2021	Term loan facility with a bank	USD65 million and HK\$195 million	June 2023	Note 1

Notes:

- The Company undertakes to the bank(s) that the borrower (which is a subsidiary of the Company) will procure BE Group to continue to beneficially own (directly or indirectly) at least 40% of the entire issued share capital of the Company. If the borrower fails to perform or comply with this, the bank is entitled to require, by written notice to the Company, to cure such default within the time specified by the banks. If the Company does not remedy such failure to the bank's satisfaction, the bank is entitled to (a) declare the loan, accrued interest and all other sums payable under the Agreement(s) immediately due and payable; and (b) declare the loan facility terminated whereupon the obligation of the bank to make any advance under the loan facility shall immediately cease.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2021.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE “CG CODE”)

In the opinion of the directors of the Company, the Company has complied with the Corporate Governance Code set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2021, except as disclosed herein below.

Under code provision A.6.7, independent non-executive directors and non-executive directors should attend general meetings to develop a balanced understanding of the views of shareholders. During the six months ended 30 June 2021, not all independent non-executive directors attended general meetings of the Company due to other business engagements, which deviates from code provision A.6.7.

Under code provision E.1.2, the chairman of the board should attend the Annual General Meeting and invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. However, the chairman of the board was unable to attend the annual general meeting held on 15 June 2021 (the “2021 AGM”) due to his other business commitments. Our chairman appointed Mr. Siu Kin Wai, the executive director of the Company, to chair the meeting on his behalf and the chairmen of the audit, remuneration and nomination committees also attended the 2021 AGM.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SHARE DEALING

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of securities transactions of the directors. Having made specific enquiry of all directors, the Company has confirmed that all directors have complied with the required standards set out in the Model Code and its code of conduct regarding director’s securities transaction during the six months ended 30 June 2021.

AUDIT COMMITTEE

The audit committee of the Company was established in accordance with the requirements of the CG Code as set out in Appendix 14 to the Listing Rules. It comprises five independent non-executive directors of the Company to review on matters regarding internal controls, risk management and financial reporting of the Group, including review of the unaudited results for the six months ended 30 June 2021 and considers that appropriate accounting policies have been adopted in the preparation of relevant results and sufficient disclosures have been made.

During the six months ended 30 June 2021, the audit committee members are all independent non-executive directors. Members of the audit committee are Mr. Goh Gen Cheung (Chairman), Mr. Zhu Wuxiang, Mr. James Chan, Mr. Song Lishui and Mr. Xie Ming.