



保利置業集團有限公司

POLY PROPERTY GROUP CO., LTD.

Stock Code: 00119

2023

Interim Report

STRIVE FOR EXCELLENCE  
CREATE BRIGHTER FUTURE

追求卓越  
領創美好



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

WAN Yuqing (*Chairman*)

WANG Jian (*Managing Director*)

YE Liwen

#### Non-executive Directors

CHEN Yuwen (appointed on 10 March 2023)

GUO Jianquan (retired on 10 March 2023)

#### Independent Non-executive Directors

IP Chun Chung, Robert

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

### AUDIT COMMITTEE

LEUNG Sau Fan, Sylvia (*Chairlady*)

IP Chun Chung, Robert

FUNG Chi Kin

WONG Ka Lun

### REMUNERATION COMMITTEE

WONG Ka Lun (*Chairman*)

IP Chun Chung, Robert

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

### NOMINATION COMMITTEE

WAN Yuqing (*Chairman*)

YE Liwen

IP Chun Chung, Robert

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

### RISK MANAGEMENT COMMITTEE

FUNG Chi Kin (*Chairman*)

WANG Jian

YE Liwen

CHEN Yuwen (appointed on 10 March 2023)

GUO Jianquan (retired on 10 March 2023)

IP Chun Chung, Robert

LEUNG Sau Fan, Sylvia

WONG Ka Lun

### COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE

WONG Cheuk Him

### LEGAL ADVISER

Morrison & Foerster

### AUDITOR

Baker Tilly Hong Kong Limited

### PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of China Limited

Bank of Communications Co., Ltd.

China CITIC Bank International Limited

China Construction Bank Corporation

China Everbright Bank Co., Ltd.

Chong Hing Bank Limited

CMB Wing Lung Bank Limited

Industrial Bank Co., Ltd.

Industrial and Commercial Bank of China (Asia) Limited

Malayan Banking Berhad

### INVESTOR RELATIONS CONSULTANT

Wonderful Sky Financial Group

### SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East, Hong Kong

### REGISTERED OFFICE

Room 2503, Admiralty Centre, Tower 1

18 Harcourt Road, Hong Kong

### COMPANY WEBSITE

[www.polyhongkong.com](http://www.polyhongkong.com)

## MANAGEMENT DISCUSSION AND ANALYSIS

For the first half of 2023, the Group recorded a revenue of RMB15,639 million (corresponding period of 2022: RMB18,697 million), representing a decrease of RMB3,058 million or 16.4% when comparing with the corresponding period of last year. Profit attributable to shareholders amounted to RMB639 million (corresponding period of 2022: RMB1,269 million), indicating a decrease of RMB630 million or 49.6% from the corresponding period of last year. Basic and diluted earnings per share stood at RMB16.73 cents (corresponding period of 2022: RMB34.16 cents). As at 30 June 2023, shareholders' equity of the Group amounted to RMB33,675 million (31 December 2022: RMB32,930 million), indicating a 2.3% increase from last year end. Net asset value per share amounted to RMB8.81 (31 December 2022: RMB8.62).

### BUSINESS REVIEW

In the first half of 2023, China's economy and society fully resumed normal operation, with the economy gradually stabilising and improving. However, since the second quarter, the growth rate of some indicators has declined and the economic activity has weakened. The foundation of the recovery is not yet solid, and the promotion of a sustained upturn in the economy still requires precise and vigorous macro-policies.

The relationship between supply and demand in the property market has undergone major changes. In the first half of the year, the sales of commodity properties in China amounted to approximately RMB6.3 trillion, representing a slight increase of 1.1% when comparing with the corresponding period of last year. The amount of property development investment recorded a year-on-year decrease of 7.9%, and the National Real Estate Climate Index hit a new low in a year, indicating a lack of market demand and confidence. Especially after the second quarter, the sentiment of property purchasers declined rapidly, while the ability and willingness of real estate enterprises to launch new projects were weak. High-quality real estate enterprises further focused on the core cities, and the land market demonstrated a trend of partial positive and overall negative.

In recent years, the Group has continued to invest its expansion resources in high capability cities, giving priority to projects with quick turnover of cash flow and cash profit. In the first half of the year, the Company acquired five projects in Shanghai, Guangzhou, Suzhou, Kunshan and Nanning, with newly acquired land reserve of 1,050,000 square metres. As at 30 June 2023, the percentage of attributable land reserves in Yangtze River Delta and Greater Bay Area was 48%, representing an increase of five percentage points as compared with the end of last year, while the percentage of attributable land reserves in first-tier cities was 25%, representing an increase of three percentage points as compared with the end of last year.

The land reserve structure was optimised to support the Group's operational resilience and risk resistance capability during market downturn. In the first half of the year, Poly Property Group recorded contracted sales of RMB37.4 billion, representing a year-on-year increase of 127%. Sales in Yangtze River Delta and Greater Bay Area accounted for 71%. Average contracted selling price increased by 32% year on year to RMB25,231 per square metre, driven by an increase in the proportion of high-tier cities. During the period, the Group achieved high-quality sales, with contracted sales collection of RMB35.9 billion and a collection ratio of 96%.

## MANAGEMENT DISCUSSION AND ANALYSIS

Through strong cash collection as well as prudent and steady expansion, the net gearing ratio significantly decreased by 18.6 percentage points to 97.3% as compared with the end of last year, and the total debt decreased by RMB2.9 billion or 3.7%. While reducing its borrowing scale, the Group was committed to continuously improving its existing debt structure. In the first half of the year, a total of RMB4.0 billion of corporate bonds and RMB1.5 billion of medium-term notes were issued, which further optimised the average financial cost to 4.05%, representing a decrease of 0.21 percentage points from the end of last year.

The Conference of the Central Politburo held in late July planned the layout for economic work in the second half of the year. The meeting concluded that it is necessary to adjust and optimise property policies when applicable, and make good use of the policy toolkit to implement policies in response to the actual situations in their respective cities to better satisfy the rigid and improved housing demand of residents and promote the stable and healthy development of the property market. Poly Property adheres to the corporate DNA of “red genes to forge the soul, blue genes to create success”, insists on the improvement of product strength and market share amid the adversity, continues to practice the principle of “ensuring safety, quality and delivery” and strives to realise a better life for the people and a high quality development for the industry.

### PROPERTY SALES

In the first half of 2023, Poly Property Group recorded contracted area sold of approximately 1,482,000 square metres, and contracted sales of approximately RMB37.4 billion in value. Poly Property Group had 130 major projects for sale, with three of them being debut projects, namely Shanghai Poly Dawn Light Residence, Kunshan Poly Brilliant Palace and Shenzhen Poly Jade Apartments.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the contracted sales of Poly Property Group by regions were as follows:

Region and City	Contracted Sales for the First Half of 2023 (RMB million)	Percentage (%)
<b>Yangtze River Delta Region</b>	<b>16,661</b>	<b>45%</b>
Shanghai	4,289	
Kunshan	4,722	
Taicang	203	
Changzhou	486	
Suzhou	2,258	
Ningbo	4,294	
Hangzhou	230	
Ninghai	178	
Deqing	2	
<b>Pearl River Delta Region</b>	<b>6,054</b>	<b>16%</b>
Guangzhou	2,047	
Foshan	812	
Shenzhen	2,948	
Huizhou	246	
<b>Southwestern Region</b>	<b>3,519</b>	<b>9%</b>
Guiyang	319	
Zunyi	2	
Nanning	2,063	
Liuzhou	198	
Kunming	937	
<b>Other Regions</b>	<b>7,147</b>	<b>19%</b>
Wuhan	920	
Harbin	381	
Mudanjiang	35	
Jinan	4,742	
Yantai	284	
Weihai	253	
Weifang	3	
Zibo	89	
Tai'an	162	
Wanning	280	
<b>Hong Kong</b>	<b>4,002</b>	<b>11%</b>
Hong Kong	4,002	
<b>Total</b>	<b>37,383</b>	<b>100%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- Contracted sales include car parking sales;
- Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.

In the second half of 2023, subject to construction progress and market conditions, Poly Property Group plans to launch 6 new projects which include Ningbo Hai Shu Project, Jinan Lixia District Project, Shanghai Qing Pu Project, Kunshan Jingwang Road Project, Nanning Zhongyao Road Project and Guangzhou Pan Yu Project.

### NEWLY COMMENCED CONSTRUCTION

In the first half of 2023, Poly Property Group commenced construction on a total of 5 new projects with a gross floor area of approximately 700,000 square metres. Among which, 2 projects commenced construction for the first time, namely, Shenzhen Poly Jade Apartments and Jinan Lixia District Project.

Project	Gross Floor Area of Newly Commenced Construction ('000 square metres)	Interests Attributable to the Group (%)
Guangzhou Poly Polaris	114	94%
Foshan Poly Mansion	89	100%
Shenzhen Poly Jade Apartments	138	51%
Jinan Lixia District Project	216	100%
Wanning Poly Peninsula No.1	143	100%
<b>Total</b>	<b>700</b>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## RECOGNISED PROPERTY SALES

In the first half of 2023, the Group recognised a total sales value of approximately RMB14,589 million and a total gross floor area of approximately 1,098,000 square metres. Details of recognised property sales are as follows:

Region and Project	Sales Recognised in the First Half of 2023 (RMB million)	Percentage (%)
<b>Yangtze River Delta Region</b>	<b>2,420</b>	<b>17%</b>
1. Shanghai Jiading Project	51	
2. Shanghai Jiading Affordable Housing Project	71	
3. Shanghai Poly Moon Light	1,935	
4. Suzhou Poly Tianyue Mansion	103	
5. Suzhou Wonderful Times	149	
6. Ningbo Poly City	41	
7. Ningbo Poly Lake Imprint	38	
8. Others	32	
<b>Pearl River Delta Region</b>	<b>1,556</b>	<b>11%</b>
9. Guangzhou Poly Gratified West Bay	343	
10. Guangzhou Nansha Poly City	64	
11. Guangzhou Poly Glory	130	
12. Foshan Guangfo Poly City	90	
13. Foshan Guangfo Poly City Phase II	637	
14. Huizhou Poly Sunshine Town	104	
15. Huizhou Poly Lujiang Lane	154	
16. Others	34	
<b>Southwestern Region</b>	<b>5,329</b>	<b>36%</b>
17. Guiyang Poly Park 2010	287	
18. Guiyang Poly Phoenix Bay	58	
19. Nanning Poly Crescendo	64	
20. Nanning Poly Town	299	
21. Nanning Poly Town Phase II	2,592	
22. Liuzhou Poly Mountain Villa	430	
23. Kunming Poly City	1,524	
24. Others	76	



## MANAGEMENT DISCUSSION AND ANALYSIS

Region and Project	Sales Recognised in the First Half of 2023 (RMB million)	Percentage (%)
<b>Other Regions</b>	<b>5,095</b>	<b>35%</b>
25. Wuhan Poly Up Town	593	
26. Wuhan Poly Joyful Mansion	141	
27. Harbin Poly City	54	
28. Harbin Poly Tin Yor Phase II	204	
29. Harbin Poly Time Lane	99	
30. Harbin Guang Xin Project	1,390	
31. Jinan Poly Mountain Villa	120	
32. Jinan Poly Sheng Jing Tai	50	
33. Jinan Huai Yin Project	377	
34. Jinan Poly Grand Joy	1,047	
35. Weihai Poly Hanlin Mansion	77	
36. Weihai Poly Moon Fenghua	513	
37. Zibo Poly City	135	
38. Tai'an Poly Yuelu Mansion	199	
39. Others	96	
<b>Hong Kong</b>	<b>189</b>	<b>1%</b>
40. Hong Kong Vibe Centro	35	
41. Hong Kong Villa La Plage	154	
<b>Total</b>	<b>14,589</b>	

Notes:

Since figures were rounded up, their grand total or sub-total may not equal to the actual sum.

## MANAGEMENT DISCUSSION AND ANALYSIS

### NEW LAND RESERVES

In the first half of 2023, Poly Property Group acquired five new projects, which are located in Shanghai, Kunshan, Nanning, Guangzhou and Suzhou. The planned total gross floor area of the new projects amounted to approximately 1,050,000 square metres with land cost at a reasonable level.

New Project	Planned Property Type	Total Site Area ('000 square metres)	Planned Total Gross Floor Area ('000 square metres)	Interests Attributable to the Group (%)
Shanghai Qing Pu Project	Residential and Commercial	156	570	51%
Kunshan Jingwang Road Project	Residential	46	137	100%
Nanning Zhongyao Road Project	Residential and Commercial	43	163	51%
Guangzhou Pan Yu Project	Residential	24	79	100%
Suzhou Industrial Park Project	Residential	46	101	100%
<b>Total</b>		<b>314</b>	<b>1,050</b>	

#### Shanghai Qing Pu Project

The project is located in Qingpu New Town, Qingpu District, Shanghai, which belongs to the core area of the central business district built by Qingpu New Town, with high planning level and great development potential. In addition to the existing Metro Line 17, two metro lines will be built in the future. The project is mainly located in residential areas, with a planned 12-year school district from kindergarten to middle school, and the living atmosphere and facilities will continue to be improved. The project, with a planned total gross floor area of approximately 570,000 square metres, is intended to be developed into high-rise residential buildings.

#### Kunshan Jingwang Road Project

The project is located in the east of Development Zone in Kunshan, four kilometres away from the centre of Kunshan and close to the East City and Brilliant Palace Project under development by the Group. Kunshan Central East Line is west to the site, with convenient transportation. The surrounding development is relatively mature, with complete educational, commercial and medical facilities. The site enjoys promising development prospect with the central business district, Qingyang Harbor Riverfront Urban Centre and Metro Line S1 corridor under planning. The project, with a planned total gross floor area of approximately 137,000 square metres, is intended to be developed into high-rise residential buildings.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Nanning Zhongyao Road Project

The project is located in Xinyang Longteng area, Xixiangtang District, Nanning, which belongs to the traditional old town of Nanning, with dense population and rich living atmosphere. The project is close to Xinxu Park, railway station and Chaoyang business district, with all kinds of living ancillary facilities. The site is close to Jiangbei Avenue, Qingxiang North Expressway and other traffic arteries, enjoying a fairly convenient transportation. It has geographical advantage, and is widely recognized by local customers. The project, with a planned total gross floor area of approximately 163,000 square metres, is intended to be developed into high-rise residential buildings.

### Guangzhou Pan Yu Project

The project is located on the north side of Panyu Coach Terminal in Guangzhou, belonging to Shiqiao, 2.5 kilometres away from Panyu District government and only 800 metres away from Panyu Coach Terminal Station of the East Extension Line of Metro Line 3 under construction. Benefiting from its significant transportation advantage, it takes about half an hour to get to Zhujiang New Town. The site has a full range of commercial and educational facilities in the vicinity, as well as several mature residential communities with a strong residential atmosphere. The project, with a planned total gross floor area of approximately 79,000 square metres, is intended to be developed into high-rise residential buildings.

### Suzhou Industrial Park Project

The project is located in the Xietang Area of Suzhou Industrial Park. The site neighbours Olympic Plot in the north, which is approximately 2 kilometres away from the Olympic Sports Center. The west side neighbours the Shuanghu business district of the Park, which is approximately 3.5 kilometres away. The project enjoys convenient transportation and full-fledged ancillary facilities. Sangtian Island area is approximately 5 kilometres from the east of the project, which is currently a key high-tech industry cluster in Suzhou, gathering a large number of high-level technical talents. The project, with a planned total gross floor area of approximately 101,000 square metres, is intended to be developed into high-rise residential buildings.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INVESTMENT PROPERTIES

The Group has various investment properties and hotels located in first-tier cities and second-tier provincial capitals. Its investment properties have a total gross floor area of approximately 697,000 square metres and asset value of approximately RMB9,671 million. As the economy and society resumed normal operation, the hotel business showed a clear recovery trend in the first half of the year.

Location	Major Investment Properties and Hotels	Gross Floor Area Held ('000 square metres)	Interests Attributable to the Group (%)	Property Type
<b>Investment properties</b>				
Beijing	Beijing Poly Plaza	15	75%	Office
Shanghai	Shanghai Poly Plaza (partial)	30	100%	Office and commercial
Shanghai	Shanghai Stock Exchange Buildings (partial)	48	100%	Office
Shenzhen	Shenzhen Poly Cultural Plaza (partial)	135	100%	Commercial
Wuhan	Wuhan Poly Plaza (partial)	56	100%	Office
<b>Hotels</b>				
Beijing	Beijing Poly Plaza Hotel	63	75%	Hotel
Shanghai	Hyatt Regency Shanghai Jiading	69	100%	Hotel
Wuhan	Wuhan Poly Hotel	28	100%	Hotel

### PROPERTY MANAGEMENT

The Group has various property management companies engaging in the management of residential, commercial, offices, hotels, theatres and other property types. They have been the leading players in the property management industry in China and have received many titles and awards.

In the first half of 2023, the Group's property management companies recorded revenue of RMB569 million in aggregate, representing an increase of 12.2% when comparing with the corresponding period of last year. The companies managed a total of 276 property projects with a gross floor area under management of approximately 49,640,000 square metres, representing an increase of 3.4% when comparing with the corresponding period of last year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Liquidity and Capital Structure

As at 30 June 2023, total equity attributable to shareholders of the Company amounted to RMB33,674,543,000 (31 December 2022: RMB32,930,244,000), while the net asset value per share was RMB8.81 (31 December 2022: RMB8.62). As at 30 June 2023, the Group's gearing ratio (on the basis of the amount of total liabilities divided by the amount of total assets) was 79.4% (31 December 2022: 79.4%).

As at 30 June 2023, the Group had an outstanding bank and other borrowings (including the notes payable) of RMB77,101,890,000. In terms of maturity, the outstanding bank and other borrowings (including notes payable) can be divided into RMB17,380,066,000 (23%) to be repaid within one year, RMB18,962,277,000 (25%) to be repaid after one year but within two years, RMB31,617,153,000 (41%) to be repaid after two years but within five years, RMB9,142,394,000 (11%) to be repaid after five years. In terms of currency denomination, the outstanding bank and other borrowings (including the notes payable) can be divided into RMB68,191,444,000 (88%) in Renminbi, RMB3,588,000,000 (5%) in United State dollars, and RMB5,322,446,000 (7%) in Hong Kong dollars.

41% of the bank and other borrowings (including the notes payable) of the Group are subject to fixed interest rates and the remaining 59% are subject to floating interest rates. Therefore, under circumstances of interest rates uncertainty or fluctuations or otherwise as appropriate, the Group will consider the use of hedging instruments (including interest rates swaps), in order to manage interest rate risks.

As at 30 June 2023, the Group had a net current assets of RMB81,625,575,000 and total bank balances of RMB34,309,826,000 (31 December 2022: RMB81,544,307,000 and RMB31,617,971,000, respectively). With the available banking facilities and cash revenue from business operations, it is believed that the Group has sufficient resources to meet the foreseeable working capital demands and capital expenditure.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities, and foreign exchange revenue versus foreign exchange expenditures. The management believes that the foreign exchange rate between Hong Kong dollars and United States dollars is relatively stable. Due to recent fluctuation of Renminbi exchange rate against Hong Kong dollars, the Group closely monitors the fluctuation and adopts policy to minimise exchange rate risks, if necessary.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Pledged Assets

At the end of the reporting period, the carrying value of the Group's assets which were pledged to secure credit facilities granted to the Group are as follows:

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Investment properties	<b>6,519,329</b>	6,519,329
Hotel properties	<b>1,536,000</b>	1,536,000
Buildings	<b>231,235</b>	233,396
Right-of-use assets	<b>217,490</b>	221,523
Properties under development	<b>33,613,480</b>	30,735,407
Properties held for sale	<b>489,557</b>	489,665
Bank deposits	<b>343,606</b>	444,639
	<b>42,950,697</b>	40,179,959

In addition to above pledge of assets, at 30 June 2023 and 31 December 2022, the Group's interests in certain subsidiaries were pledged to secure credit facilities granted to the Group. The details of net assets value of subsidiaries are as follows:

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Total assets	<b>38,213,553</b>	47,803,727
Total liabilities	<b>(38,088,858)</b>	(46,028,476)
Net assets value	<b>124,695</b>	1,775,251

### Contingent Liabilities

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to RMB26,988,999,000 as at 30 June 2023 (31 December 2022: RMB23,443,910,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the buyers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 June 2023, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to RMB7,930,343,000 (31 December 2022: RMB8,130,800,000), of which RMB5,576,250,000 (31 December 2022: RMB5,586,393,000) had been utilised by these associates and joint ventures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES

As at 30 June 2023, the Group employed 8,848 (30 June 2022: 8,799) employees with remuneration for the period amounted to approximately RMB500,350,000. The Group provides its employees with various benefits including year-ended double-pay, discretionary bonus, contributory provident fund, share options and medical insurance. On-the-job training is also provided as and when required.

## INTERIM RESULTS

The directors (the "Directors/Board") of Poly Property Group Co., Limited (the "Company") hereby announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2023 with comparative figures for the six months ended 30 June 2022 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Revenue	2	15,639,163	18,696,880
Cost of sales		(11,699,027)	(13,406,017)
Gross profit		3,940,136	5,290,863
Decrease in fair value of investment properties		—	(23,000)
Increase in fair value of financial assets		38,570	36,530
Other gains/(losses), net	3	130,120	(78,581)
Selling expenses		(531,964)	(452,951)
Administrative expenses		(541,831)	(483,587)
Other operating expenses		(149,739)	(190,766)
Loss on disposal of net assets classified as held for sale	24	(1,026)	—
Impairment loss on properties held for sale		—	(46,785)
Finance costs		(819,183)	(730,100)
Share of results of associates		42,068	(73,307)
Share of results of joint ventures		(9,207)	(21,097)
Profit before income tax expense	4	2,097,944	3,227,219
Income tax expense	5	(1,378,938)	(1,997,327)
Profit for the period		719,006	1,229,892
Attributable to:			
Owners of the Company		639,214	1,268,587
Non-controlling interests		79,792	(38,695)
		719,006	1,229,892
<b>Earnings per share (expressed in RMB cents)</b>	7		
— Basic and diluted		16.73	34.16



## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Unaudited and restated)
<b>Profit for the period</b>	<b>719,006</b>	1,229,892
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss:		
Surplus arising on revaluation of properties	<b>58,495</b>	44,159
Exchange differences arising on translation of functional currency to presentation currency	<b>250,018</b>	290,481
<b>Other comprehensive income before income tax effect</b>	<b>308,513</b>	334,640
Deferred tax liability arising on revaluation of properties	<b>(14,624)</b>	(11,040)
<b>Other comprehensive income for the period, net of tax</b>	<b>293,889</b>	323,600
<b>Total comprehensive income for the period</b>	<b>1,012,895</b>	1,553,492
Attributable to:		
Owners of the Company	<b>932,798</b>	1,588,093
Non-controlling interests	<b>80,097</b>	(34,601)
	<b>1,012,895</b>	1,553,492

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2023</b>	31 December 2022
	<i>Notes</i>	<b>RMB'000 (Unaudited)</b>	RMB'000 (Audited)
<b>Non-current assets</b>			
Investment properties	9	<b>9,671,429</b>	9,666,939
Property, plant and equipment	9	<b>3,385,168</b>	3,411,831
Right-of-use assets		<b>586,750</b>	597,668
Interests in associates		<b>1,660,787</b>	1,603,728
Interests in joint ventures		<b>6,148,705</b>	6,050,172
Financial assets at fair value through profit or loss	25	<b>682,391</b>	643,763
Loan receivables		<b>223,982</b>	234,761
Deposits paid for acquisition of land use rights		<b>1,253,443</b>	1,214,373
Deferred tax assets		<b>219,765</b>	239,518
		<b>23,832,420</b>	23,662,753
<b>Current assets</b>			
Properties under development		<b>112,551,147</b>	105,321,305
Properties held for sale		<b>24,957,948</b>	26,517,017
Other inventories		<b>42,558</b>	41,611
Contract costs		<b>615,101</b>	509,474
Trade and other receivables	10	<b>6,235,908</b>	5,353,157
Amounts due from associates	11	<b>1,014,040</b>	1,123,551
Amounts due from joint ventures	12	<b>4,254,256</b>	4,176,617
Amounts due from non-controlling shareholders of subsidiaries		<b>2,484,718</b>	2,012,361
Taxation recoverable		<b>3,745,321</b>	2,761,744
Pledged bank deposits		<b>343,606</b>	444,639
Bank balances, deposits and cash		<b>33,966,220</b>	31,173,332
		<b>190,210,823</b>	179,434,808
Assets classified as held for sale		<b>—</b>	17,630
		<b>190,210,823</b>	179,452,438

## INTERIM RESULTS

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and other payables	13	29,555,121	30,144,306
Contract liabilities		48,013,449	34,988,848
Property rental deposits		95,885	86,454
Amounts due to associates	11	896,036	736,392
Amounts due to joint ventures	12	943,109	674,278
Amount due to the ultimate holding company	14	7,554	18,508
Amount due to an intermediate holding company	15	2,792	2,792
Amount due to a fellow subsidiary	16	485	485
Amounts due to non-controlling shareholders of subsidiaries		4,005,347	4,952,080
Taxation payable		7,685,404	7,926,281
Bank and other borrowings — due within one year	17	17,380,066	18,363,445
		<b>108,585,248</b>	97,893,869
Liabilities associated with assets classified as held for sale		—	14,262
<b>Total current liabilities</b>		<b>108,585,248</b>	97,908,131
<b>Net current assets</b>		<b>81,625,575</b>	81,544,307
<b>Total assets less current liabilities</b>		<b>105,457,995</b>	105,207,060
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	19	15,712,159	15,712,159
Reserves		4,089,456	3,829,073
Accumulated profits		13,872,928	13,389,012
<b>Equity attributable to owners of the Company</b>		<b>33,674,543</b>	32,930,244
<b>Non-controlling interests</b>		<b>10,318,856</b>	8,859,700
<b>Total equity</b>		<b>43,993,399</b>	41,789,944

## INTERIM RESULTS

		<b>30 June 2023</b>	31 December 2022
	<i>Notes</i>	<b>RMB'000 (Unaudited)</b>	RMB'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other borrowings — due after one year	17	<b>42,007,824</b>	49,587,211
Notes payable — due after one year	18	<b>17,714,000</b>	12,097,000
Lease liabilities		<b>42,793</b>	41,647
Loan from a fellow subsidiary		<b>180,000</b>	180,000
Deferred tax liabilities		<b>1,519,979</b>	1,511,258
<b>Total non-current liabilities</b>		<b>61,464,596</b>	63,417,116
		<b>105,457,995</b>	105,207,060

## INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company										
	Share capital	Hotel properties revaluation reserve	Translation reserve	PRC statutory reserves	Other capital reserve	Asset revaluation reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
<b>At 1 January 2023</b>	15,712,159	648,709	182,774	2,933,389	208,593	81,018	(225,410)	13,389,012	32,930,244	8,859,700	41,789,944
Total comprehensive income for the period	—	43,109	250,475	—	—	—	—	639,214	932,798	80,097	1,012,895
Dividend approved in respect of the previous year	—	—	—	—	—	—	—	(166,909)	(166,909)	—	(166,909)
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	(99,680)	(99,680)
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	2,533,272	2,533,272
Derecognition of non-controlling interests due to subsidiaries' share capital reduction	—	—	—	—	—	—	—	—	—	(1,155,132)	(1,155,132)
Disposal of a subsidiary	—	—	—	(6,171)	(962)	—	—	7,133	—	—	—
De-registration of a subsidiary	—	—	(4,478)	—	—	—	—	4,478	—	—	—
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(21,590)	—	(21,590)	(109,855)	(131,445)
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	210,454	210,454
<b>At 30 June 2023</b>	15,712,159	691,818	428,771	2,927,218	207,631	81,018	(247,000)	13,872,928	33,674,543	10,318,856	43,993,399

For the six months ended 30 June 2022

	Attributable to owners of the Company											
	Share capital	Share option reserve	Hotel properties revaluation reserve	Translation reserve	PRC statutory reserves	Other capital reserve	Asset revaluation reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
<b>At 1 January 2022</b>	15,550,825	49,060	521,749	(500,307)	2,382,820	208,593	19,395	(246,257)	13,514,929	31,500,827	6,644,598	38,145,425
Total comprehensive income for the period	—	—	32,382	287,124	—	—	—	—	1,268,587	1,588,093	(34,601)	1,553,492
Transfer	—	—	—	—	5,714	—	—	—	(5,714)	—	—	—
Recognition of equity-settled share-based payment expense	—	934	—	—	—	—	—	—	—	934	—	934
Share option cancelled	—	(2,604)	—	—	—	—	—	—	2,606	—	—	—
Dividend approved in respect of the previous year	—	—	—	—	—	—	—	—	(431,122)	(431,122)	—	(431,122)
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	(67,332)	(67,332)
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	2,429,133	2,429,133
Derecognised non-controlling interests due to subsidiaries' share capital reduction	—	—	—	—	—	—	—	—	—	—	(24,500)	(24,500)
<b>At 30 June 2022</b>	15,550,825	47,388	554,151	(213,183)	2,388,534	208,593	19,395	(246,257)	14,349,286	32,658,732	8,947,298	41,606,030

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000 (Unaudited and restated)
	(Unaudited)	
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	9,882,253	(5,071,341)
Income taxes paid	(2,589,409)	(2,686,916)
Interest paid	(2,036,746)	(1,689,634)
<b>Net cash generated from/(used in) operating activities</b>	<b>5,256,098</b>	<b>(9,447,891)</b>
<b>Cash flows from investing activities</b>		
Acquisition of associates	—	(211,793)
Acquisition of additional interests in subsidiaries	(131,445)	—
Acquisition of a subsidiary, net of cash acquired	(218,443)	—
Disposal of net assets classified as held for sale	102,342	—
Capital reduction of non-controlling interests	(1,155,132)	(24,500)
Bank interest income received	196,529	137,874
Advance to non-controlling shareholders of subsidiaries	(472,357)	(387,395)
Repayment from joint ventures	24,671	277,578
Repayment from associates	109,511	495,066
Interest income received from loans to joint ventures	116,265	30,407
Interest income received from loans to associates	14,315	14,315
Decrease in pledged bank deposits	101,033	133,879
Other cash flows arising from investing activities	(85,964)	34,016
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,398,675)</b>	<b>499,447</b>
<b>Cash flows from financing activities</b>		
Borrowings raised	9,177,503	17,763,083
Notes payable raised	5,500,000	6,000,000
Capital contribution by non-controlling shareholders of subsidiaries	2,533,272	2,429,133
Dividend paid to non-controlling shareholders of subsidiaries	(99,680)	(67,332)
Repayment of borrowings	(17,908,310)	(12,891,446)
Advance from an intermediate holding company	—	134,461
(Repayment to)/advance from non-controlling shareholders of subsidiaries	(967,973)	44,620
Advance from/(repayment to) joint ventures	268,831	(30,396)
Advance from associates	159,644	227,196
Payment of lease liabilities	(11,474)	(7,393)
Other cash flows arising from financing activities	(10,954)	46
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,359,141)</b>	<b>13,601,972</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,498,282</b>	<b>4,653,528</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,173,332</b>	<b>29,747,851</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>294,606</b>	<b>362,392</b>
<b>Cash and cash equivalents at end of the period</b>	<b>33,966,220</b>	<b>34,763,771</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and cash equivalents as stated in the consolidated statement of financial position	<b>33,966,220</b>	<b>34,763,771</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the most recent consolidated financial statements for the year ended 31 December 2022, except for the changes in accounting policy made when the Group initially applies financial reporting standards newly applicable to the annual accounting period beginning on 1 January 2023.

The preparation of condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This report contains condensed consolidated financial statements and selected explanatory notes. The explanatory notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the most recent consolidated financial statements for the year ended 31 December 2022. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2022 that is included in this report of the interim results for the six months ended 30 June 2023 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

HKFRS 17, Insurance Contracts

Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies

Amendments to HKAS 8, Definition of accounting estimates

Amendments to HKAS 12, Deferred tax related to assets and liabilities arising from a single transaction

The Group has assessed the impact of the adoption of these new and amended standards that are effective for the first time for this interim.

The impact of the adoption of these new and amended standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current<sup>1</sup>

Amendments to HKAS 1, Non-current Liabilities with Covenants<sup>1</sup>

Amendments to HKFRS 16, Lease Liability in a Sales and Leaseback<sup>1</sup>

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Directors of the Company do not anticipate that the application of these new pronouncements in the future will have significant impact on the Group's accounting policies and financial statements.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into four operating divisions. These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:

Property development business — property development

Property investment and management — property investment and management

Hotel operations — hotel and restaurant business and its related services

Other operations — manufacturing and sales of digital discs and others

Information about these segments is presented below:

For the six months ended 30 June 2023

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
<b>REVENUE</b>						
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at point in time	14,633,975	—	—	25,911	—	14,659,886
— Recognised overtime	—	569,129	176,732	—	—	745,861
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	233,416	—	—	—	233,416
External revenue	14,633,975	802,545	176,732	25,911	—	15,639,163
Inter-segment revenue*	—	59,964	—	—	(59,964)	—
Total revenue	14,633,975	862,509	176,732	25,911	(59,964)	15,639,163
<b>SEGMENT RESULTS</b>	<b>2,746,881</b>	<b>103,331</b>	<b>(4,652)</b>	<b>37,479</b>	<b>—</b>	<b>2,883,039</b>
Unallocated income						265,309
Unallocated expenses						(263,056)
Finance costs						(819,183)
Loss on disposal of net assets classified as held for sale	(1,026)	—	—	—	—	(1,026)
Share of results of associates	42,068	—	—	—	—	42,068
Share of results of joint ventures	(9,207)	—	—	—	—	(9,207)
Profit before income tax expense						2,097,944
Income tax expense						(1,378,938)
Profit for the period						719,006

\* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2023  
Assets and liabilities

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
Assets					
Segment assets	153,635,452	10,251,650	3,171,725	882,728	167,941,555
Interests in associates	1,660,787	—	—	—	1,660,787
Interests in joint ventures	6,147,355	—	—	1,350	6,148,705
Unallocated corporate assets					<u>38,292,196</u>
Total assets					<u>214,043,243</u>
Liabilities					
Segment liabilities	81,962,347	1,410,718	157,774	10,221	83,541,060
Unallocated corporate liabilities					<u>86,508,784</u>
Total liabilities					<u>170,049,844</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

	Property development business RMB'000 (Restated)	Property investment and management RMB'000 (Restated)	Hotel operations RMB'000 (Restated)	Other operations RMB'000 (Restated)	Eliminations RMB'000 (Restated)	Total RMB'000 (Restated)
<b>REVENUE</b>						
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at point in time	17,830,781	—	—	27,419	—	17,858,200
— Recognised overtime	—	515,999	89,098	—	—	605,097
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	233,583	—	—	—	233,583
External revenue	17,830,781	749,582	89,098	27,419	—	18,696,880
Inter-segment revenue*	—	57,607	—	—	(57,607)	—
<b>Total revenue</b>	<b>17,830,781</b>	<b>807,189</b>	<b>89,098</b>	<b>27,419</b>	<b>(57,607)</b>	<b>18,696,880</b>
<b>SEGMENT RESULTS</b>	<b>4,150,107</b>	<b>106,512</b>	<b>(79,167)</b>	<b>38,916</b>	<b>—</b>	<b>4,216,368</b>
Unallocated income						162,897
Unallocated expenses						(327,542)
Finance costs						(730,100)
Share of results of associates	(73,237)	—	—	(70)	—	(73,307)
Share of results of joint ventures	(21,099)	—	—	2	—	(21,097)
Profit before income tax expense						3,227,219
Income tax expense						(1,997,327)
<b>Profit for the period</b>						<b>1,229,892</b>

\* Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2022  
*Assets and liabilities*

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
<b>Assets</b>					
Segment assets	146,697,192	10,173,354	3,079,081	866,498	160,816,125
Interests in associates	1,603,728	—	—	—	1,603,728
Interests in joint ventures	6,047,755	—	—	2,417	6,050,172
Unallocated corporate assets					<u>34,645,166</u>
<b>Total assets</b>					<u>203,115,191</u>
<b>Liabilities</b>					
Segment liabilities	70,228,930	1,397,225	163,128	13,535	71,802,818
Unallocated corporate liabilities					<u>89,522,429</u>
<b>Total liabilities</b>					<u>161,325,247</u>

### 3. OTHER GAINS/(LOSSES), NET

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000 (Restated)
Gain/(Loss) on disposal of investment properties	<b>21</b>	(8,985)
Exchange loss, net	<b>(252,335)</b>	(317,385)
Government subsidy	<b>10,034</b>	3,352
Interest income from banks	<b>196,529</b>	137,874
Interest income from loans to associates	<b>14,315</b>	14,315
Interest income from loans to joint ventures	<b>116,265</b>	30,407
Interest income from amounts due from non-controlling shareholders of subsidiaries	<b>6,759</b>	17,199
Others	<b>38,532</b>	44,642
	<b>130,120</b>	(78,581)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. PROFIT BEFORE INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000 (Restated)
Profit before income tax expense is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	93,178	74,697
Depreciation of right-of-use assets	21,214	14,351
Interest on lease liabilities	1,614	1,479
Short term leases expenses	9,021	9,567
Low value leases expenses	253	200
Share of tax of associates (included in share of results of associates)	13,882	12,580
Share of tax of joint ventures (included in share of results of joint ventures)	12,081	964
(Gain)/Loss on disposal of investment properties	(21)	8,985

### 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000 (Restated)
The charge comprises:		
Hong Kong Profits Tax	1,605	8,676
People's Republic of China Enterprise Income Tax ("PRC EIT")	579,842	948,349
People's Republic of China Land Appreciation Tax ("LAT")	783,645	1,045,577
	1,365,092	2,002,602
Deferred taxation	13,846	(5,275)
	1,378,938	1,997,327

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2022: 16.5%) based on the estimated assessable profit for the period ended 30 June 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For that subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in prior period.

The PRC EIT is calculated at 25% (six months ended 30 June 2022: 25%) based on the estimated assessable profit for the period.

Certain People's Republic of China (the "PRC") subsidiaries are also subject to the LAT which is levied at progressive rates ranging from 30% to 60% on the appreciation of properties, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction.

### 6. DIVIDENDS

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$Nil).

### 7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2023 is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000 (Restated)
<b>Earnings:</b>		
Profit for the period attributable to owners of the Company	<b>639,214</b>	1,268,587
	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<b>3,821,183,118</b>	3,713,368,382

The diluted earnings per share for the six months period ended 30 June 2023 and 2022 are the same as basic earnings per share as there were no potentially dilutive ordinary shares in 2023 and 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. TRANSFER TO AND FROM RESERVES

During the six months ended 30 June 2023, the Group's subsidiaries in the PRC did not appropriate any amount (six months ended 30 June 2022: RMB5,714,000) net of non-controlling interests' share out of accumulated profits to the PRC statutory reserves, and the Group's subsidiaries released RMB6,171,000, RMB962,000 and RMB4,478,000 net of non-controlling interests' share out of the PRC statutory reserves, other capital reserve and translation reserve to accumulated profits respectively (six months ended 30 June 2022: RMB Nil, RMB Nil and RMB Nil, respectively).

### 9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties increased RMB4,490,000 during the period ended 30 June 2023 (30 June 2022: decreased RMB28,800,000).

During the period ended 30 June 2023, Renminbi depreciated against Hong Kong dollars incurred RMB4,890,000 increase in investment properties (30 June 2022: RMB7,200,000) and disposal of investment properties of RMB400,000 (30 June 2022: RMB13,000,000) were noted. During the period ended 30 June 2022, decrease in fair value of investment properties of RMB23,000,000 was noted.

The Group's property, plant and equipment decreased RMB26,663,000 during the period ended 30 June 2023 (30 June 2022: decreased RMB591,000).

During the period ended 30 June 2023, depreciation charge of RMB93,178,000 (30 June 2022: RMB74,697,000) and disposal of property, plant and equipment of RMB6,518,000 were noted (30 June 2022: RMB1,758,000).

The decrease was offset by the additions of motor vehicles, furniture and fixture and plant and machinery of RMB12,903,000 (30 June 2022: RMB30,457,000) and the surplus arising on revaluation of hotel properties of RMB58,495,000 (30 June 2022: RMB44,159,000). Also, Renminbi depreciated against Hong Kong dollars incurred RMB1,635,000 increase in property, plant and equipment (30 June 2022: RMB1,248,000).

The Group's investment properties and hotel properties at 30 June 2023 were valued by AA Property Services Limited, an independent professional surveyor and property valuer not connected with the Group. AA Property Services Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at using the same valuation techniques as were used by this valuer when carrying out the valuations at 31 December 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. TRADE AND OTHER RECEIVABLES

The credit terms in connection with sales of properties granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables arising from sales of properties as the Group has numerous customers. In respect of sales of goods granted to trade customers, the Group allows an average credit period of 30 days to 90 days. The following is an ageing analysis of trade receivables net of allowance for credit losses at the end of the reporting period presented based on invoice dates:

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
0 to 30 days	<b>16,127</b>	49,681
31 to 90 days	<b>73,152</b>	30,361
More than 90 days	<b>278,501</b>	228,104
Total trade receivables	<b>367,780</b>	308,146
Other receivables	<b>5,868,128</b>	5,045,011
	<b>6,235,908</b>	5,353,157

### 11. AMOUNTS DUE FROM/(TO) ASSOCIATES

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Amounts due from associates:		
— Interest-free	<b>828,040</b>	937,551
— Fixed rate of 8%	<b>186,000</b>	186,000
	<b>1,014,040</b>	1,123,551
Amounts due to associates:		
— Interest-free	<b>896,036</b>	595,731
— 80% of loan prime rate ("LPR")	<b>—</b>	140,661
	<b>896,036</b>	736,392

The amounts are unsecured and repayable on demand.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Amounts due from joint ventures:		
— Interest-free	<b>1,245,820</b>	1,404,632
— Fixed rate of 6.5%	<b>306,015</b>	—
— Fixed rate of 7%	<b>66,707</b>	66,707
— Fixed rate of 8%	<b>—</b>	187,720
— Hong Kong Interbank Offered Rate ("HIBOR") +1.5%	<b>2,635,714</b>	2,517,558
	<b>4,254,256</b>	4,176,617
Amounts due to joint ventures:		
— Interest-free	<b>844,109</b>	552,178
— Fixed rate of 4.35%	<b>99,000</b>	122,100
	<b>943,109</b>	674,278

The amounts are unsecured and repayable on demand.

### 13. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
0 to 30 days	<b>459,421</b>	1,105,844
31 to 90 days	<b>125,213</b>	174,963
More than 90 days	<b>17,587,510</b>	18,887,635
Total trade payables	<b>18,172,144</b>	20,168,442
Other payables	<b>11,382,977</b>	9,975,864
	<b>29,555,121</b>	30,144,306

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Interest-free	<b>7,554</b>	18,508

The amount is unsecured and repayable on demand.

### 15. AMOUNT DUE TO AN INTERMEDIATE HOLDING COMPANY

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Interest-free	<b>2,792</b>	2,792

The amount is unsecured and repayable on demand.

### 16. AMOUNT DUE TO A FELLOW SUBSIDIARY

	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
Interest-free	<b>485</b>	485

The amount is unsecured and repayable on demand.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. BANK AND OTHER BORROWINGS

The Group's bank and other borrowings decreased RMB8,562,766,000 (30 June 2022: increased RMB5,111,792,000).

During the period ended 30 June 2023, the Group repaid bank and other borrowings of RMB17,908,310,000 (30 June 2022: RMB12,891,446,000). The decrease was offset by additions of bank and other borrowings of RMB9,177,503,000 (30 June 2022: RMB17,763,083,000), which bear interest at market rates. Also, Renminbi depreciated against Hong Kong dollars incurred RMB168,041,000 (30 June 2022: RMB240,155,000) increase in bank and other borrowings.

### 18. NOTES PAYABLE

The Group has issued the following notes payable:

- (i) On 10 November 2020, the Group issued the 4% note due in 2025 in the aggregate principal amount of US\$500,000,000 (equivalent to RMB3,588,000,000) (31 December 2022: US\$500,000,000 equivalent to RMB3,471,000,000). The note bears interest at the rate of 4% per annum. The note is payable semi-annually in arrears on the interest payment date falling on 10 May and 10 November, in each year.
- (ii) On 8 September 2021, the Group issued the 3.29% note due in 2024 in the aggregate principal amount of RMB626,000,000 (31 December 2022: RMB626,000,000). The note bears interest at the rate of 3.29% per annum. The note is payable annually in arrears on the interest payment date falling 8 September, in each year.
- (iii) On 18 February 2022, the Group issued the 2.99% and 3.66% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,500,000,000 and RMB500,000,000 respectively (31 December 2022: RMB1,500,000,000 and RMB500,000,000 respectively). The notes bear interest at the rate of 2.99% and 3.66% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 18 February, in each year.
- (iv) On 13 April 2022, the Group issued the 3.35% note due in 2025 in the aggregate principal amount of RMB1,500,000,000 (31 December 2022: RMB1,500,000,000). The note bears interest at the rate of 3.35% per annum. The note is payable annually in arrears on the interest payment date falling 13 April, in each year.
- (v) On 6 June 2022, the Group issued the 3.2% and 3.65% notes due in 2025 and 2027 in the aggregate principal amount of RMB1,000,000,000 and RMB500,000,000 respectively (31 December 2022: RMB1,000,000,000 and RMB500,000,000 respectively). The notes bear interest at the rate of 3.2% and 3.65% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 6 June, in each year.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (vi) On 20 June 2022, the Group issued the 3.17% and 3.68% notes due in 2025 and 2027 in the aggregate principal amount of RMB500,000,000 and RMB500,000,000 respectively (31 December 2022: RMB500,000,000 and RMB500,000,000 respectively). The notes bear interest at the rate of 3.17% and 3.68% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 20 June, in each year.
- (vii) On 26 August 2022, the Group issued the 3.29% note due in 2025 in the aggregate principal amount of RMB1,000,000,000 (31 December 2022: RMB1,000,000,000). The note bears interest at the rate of 3.29% per annum. The note is payable annually in arrears on the interest payment date falling 26 August, in each year.
- (viii) On 1 November 2022, the Group issued the 3.3% note due in 2027 in the aggregate principal amount of RMB1,000,000,000 (31 December 2022: RMB1,000,000,000). The note bears interest at the rate of 3.3% per annum. The note is payable annually in arrears on the interest payment date falling 1 November, in each year.
- (ix) On 9 January 2023, the Group issued the 3.82% note due in 2026 in the aggregate principal amount of RMB1,500,000,000 (31 December 2022: RMB Nil). The note bears interest at the rate of 3.82% per annum. The note is payable annually in arrears on the interest payment date falling 9 January, in each year.
- (x) On 24 February 2023, the Group issued the 3.7% and 4.2% notes due in 2028 and 2030 in the aggregate principal amount of RMB1,000,000,000 and RMB1,000,000,000 respectively (31 December 2022: RMB Nil). The notes bear interest at the rate of 3.7% and 4.2% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 24 February, in each year.
- (xi) On 6 April 2023, the Group issued the 3.47% and 3.88% notes due in 2028 and 2030 in the aggregate principal amount of RMB500,000,000 and RMB1,500,000,000 respectively (31 December 2022: RMB Nil). The notes bear interest at the rate of 3.47% and 3.88% per annum respectively. The notes are payable annually in arrears on the interest payment date falling 6 April, in each year.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 19. SHARE CAPITAL

	Number of ordinary shares	Amount RMB'000
Ordinary shares, issued and fully paid:		
At 31 December 2022 and 30 June 2023	<b>3,821,183,118</b>	<b>15,712,159</b>

### 20. CONTINGENT LIABILITIES

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to approximately RMB26,988,999,000 as at 30 June 2023 (31 December 2022: RMB23,443,910,000). Such guarantees will terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the buyers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loan guaranteed by the Group in the event the purchasers default payments to the banks.

At 30 June 2023, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to approximately RMB7,930,343,000 (31 December 2022: RMB8,130,800,000), of which approximately RMB5,576,250,000 (31 December 2022: RMB5,586,393,000) had been utilised by these associates and joint ventures.

### 21. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property development expenditures and acquisition of land use right amounted to RMB19,775,722,000 (31 December 2022: RMB19,955,769,000) and RMB2,119,430,000 (31 December 2022: RMB2,066,000,000), respectively, as at 30 June 2023.

The Group did not have any capital expenditure authorised but not contracted for as at 30 June 2023 (31 December 2022: RMB Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 22. MATERIAL RELATED PARTY TRANSACTIONS

During the current period, the Group entered into the following material related party transactions:

#### (I) Transactions with related parties

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000 (Restated)
Property rental income ( <i>note a</i> )	7,522	6,756
Interest expenses ( <i>note b</i> )	34,871	73,248
Interest income ( <i>note c</i> )	130,580	44,722
Management fee income	890	890
Rental expenses paid	1,011	1,011

Notes:

- The property rental income received from subsidiaries of the ultimate holding company, which were charged in accordance with the relevant tenancy agreements.
- The interest expenses derived from loans advanced from a subsidiary of the ultimate holding company and joint ventures, which carried interest at fixed rates from 4.35%, variable rates based on LPR ranging from LPR plus 0.15% to 0.995% and repayable within three years.
- The interest income derived from loans advanced to associates and joint ventures, which carried interest at fixed rates from 6.5% to 8% and variable rate of HIBOR plus 1.5% and repayable on demand.

#### (II) Compensation to key management personnel

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000 (Restated)
Short-term benefits	5,270	6,411
Post-employment benefits	1,145	1,228
	<b>6,415</b>	<b>7,639</b>

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 23. ACQUISITION OF A SUBSIDIARY

During the period ended 30 June 2023, the Group acquired 51% interest of 南寧軌道錦繡中堯房地產有限公司 at a consideration of RMB219,043,000, which is engaged in property development business in the PRC. The transaction has been accounted for using the acquisition method. The subsidiary was to provide human resources, economic of scale and synergy to the Group.

The fair value of identifiable assets and liabilities of acquired company in 2023 as at date of acquisition was:

	RMB'000
Properties under development	437,196
Trade and other receivables	273
Bank balances, deposits and cash	600
Trade and other payables	(8,572)
Net assets	429,497
Non-controlling interests	(210,454)
Net assets acquired	219,043
Total consideration satisfied by:	
Cash	219,043
Net cash outflow arising on acquisition:	
Cash paid	(219,043)
Bank balances, deposits and cash acquired	600
	(218,443)

The receivables acquired (which principally comprised trade and other receivables) from the acquired company with a fair value of RMB273,000 at the date of acquisition. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The non-controlling interests recognised at the date of acquisition was measured by reference to the proportionate share of the recognised value of the net identifiable assets of the acquiree at the date of acquisition amounted to RMB210,454,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The acquired subsidiary did not contribute any revenues. The total net loss to the Group for the period from the acquisition date to 30 June 2023 was RMB415,000. Had the company been consolidated from 1 January 2023, the consolidated statement of profit or loss for the period ended 30 June 2023 would have shown total pro-forma revenue of RMB15,639,163,000 and total profit for the period of RMB718,949,000.

Acquisition-related costs were immaterial and had been excluded from the consideration transferred and had been recognised as an expense in the year of acquisition, within the administrative expenses line item in the consolidated statement of profit or loss.

### 24. LOSS ON DISPOSAL OF NET ASSETS CLASSIFIED AS HELD FOR SALE

On 1 November 2022, the Group entered into an agreement with an independent third party in relation to the sale of its 100% equity interest in 湖北保利建築工程有限公司 (“湖北保利建築”) of a consideration of RMB102,342,000. 湖北保利建築 is principally engaged in property construction business. Given that the disposal was not completed as at 31 December 2022, the assets and liabilities relating to 湖北保利建築 have been classified as held for sale in the consolidated statement of financial position. The transaction was subsequently completed in January 2023 and loss on disposal of net assets classified as held for sale was recorded during the first half of 2023.

The net assets disposed were as follows:

	RMB'000
Property, plant and equipment	75
Trade and other receivables	12,183
Bank balances, deposits and cash	105,372
Trade and other payables	(14,262)
	<hr/>
Net assets disposed of	103,368
Consideration	102,342
	<hr/>
Loss on disposal	(1,026)
Total consideration satisfied by:-	
Cash	102,342
	<hr/>
Net cash outflow arising on disposal:	
Cash received	102,342
Bank balances, deposits and cash disposed of	(105,372)
	<hr/>
	(3,030)



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 25. FAIR VALUE MEASUREMENTS

(i) **Financial instruments carried at fair value**

The fair value of financial assets are determined with reference to quoted market prices or using valuation techniques in which any significant input is not based on observable market data.

The following table presents financial instruments measured at fair value in the condensed consolidated statement of financial position on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, "Fair Value Measurement". The level into which a fair value measurement classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

At 30 June 2023, the Group had following financial instruments carried at fair value all of which are based on the level 1 or level 3 of the fair value hierarchy:

	Fair value at 30 June 2023 RMB'000	Fair value measurements as at 30 June 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Listed	1,673	1,673	—	—
— Unlisted	680,718	—	—	680,718
	<b>682,391</b>	<b>1,673</b>	<b>—</b>	<b>680,718</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Fair value at	Fair value measurements as at		
	31 December 2022	31 December 2022 categorised into		
	RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Financial assets at fair value through profit or loss				
— Listed	1,780	1,780	—	—
— Unlisted	641,983	—	—	641,983
	643,763	1,780	—	641,983

During the six months period ended 30 June 2023 and the year ended 31 December 2022, there were no significant transfers between financial instruments in level 1 and level 2, or transfer into and out of level 3. The Group policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) **The fair values of financial assets and financial liabilities are determined as follows:**

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$Nil).

### SHARE OPTION SCHEME

In order to provide incentives or rewards to the Directors and employees of the Company and certain eligible persons (together, "Eligible Participants") to contribute to the long term success of the business of the Group, the Board considers that it is in the best interest of the Company to adopt a share option scheme.

At the annual general meeting of the Company held on 28 May 2014, the shareholders of the Company adopted a share option scheme (the "Share Option Scheme"), pursuant to which the Eligible Participants may be granted a maximum of 364,463,704 options to subscribe for shares of the Company upon and subject to the terms and conditions of the rules of the Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of 28 May 2014 and expiring on 27 May 2024.

According to the Share Option Scheme, the Board may grant options to (i) any Director and employee of the Company or its subsidiaries, or an entity in which the Group holds an interest ("Affiliate"); (ii) any customer, supplier, agent, partner, consultant, adviser or shareholder of or contractor to the Group or an Affiliate; (iii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, customer, supplier, agent, partner, consultant, adviser or shareholder of or contractor to the Group or an Affiliate; or (iv) a company beneficially owned by any Director, employee, consultant, customer, supplier, agent, partner, shareholder, adviser of or contractor to the Group or an Affiliate to subscribe for shares of the Company for a consideration of HK\$1 for each lot of share options granted.

Share options granted should be accepted within 28 days from the date of grant. The Board may at its absolute discretion determine the period during which a share option may be exercised; such period should expire no later than 10 years from the date of grant of the relevant option. The Board may also provide restrictions on the exercise of a share option during the period a share option may be exercised.

The exercise price is determined by the Board, and shall not be less than the highest of: (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant.

## OTHER INFORMATION

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue.

The total number of shares issued and to be issued upon exercise of the options granted to each individual under the Share Option Scheme and any other share option schemes of the Company (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue of the Company.

The fair value of share options granted to Eligible Participants is recognised as staff costs with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Binomial model, taking into account the terms and conditions upon which the options were granted. Where the Eligible Participants have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the statement of profit or loss for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated profits).

## OTHER INFORMATION

During the six months ended 30 June 2023, no options were granted under the Share Option Scheme and 27,293,364 share options were cancelled due to the failure to achieve certain performance indicators or other conditions as stipulated in the Share Option Scheme. As at 30 June 2023, the total number of options available for grant is 254,713,704 (1 January 2023: 254,713,704), representing approximately 6.67% (1 January 2023: 6.67%) of the issued shares of the Company. Details of such interests and movements of share options granted by the Company under the Share Option Scheme are shown below:

Name or category of grantees	Date of grant	Exercise price (HK\$)	Vesting period	Exercise period	Number of share options					Balance as at 30 June 2023
					Balance at as 1 January 2023	Granted during the period	Cancelled during the period <sup>2</sup>	Lapsed during the period	Exercised during the period <sup>1</sup>	
<b>Director:</b>										
Mr. Wan Yuqing	10/1/2019	2.415	10/1/2019-31/12/2022	10/1/2023-9/1/2025	301,604	—	(301,604)	—	—	—
Mr. Wang Jian	10/1/2019	2.415	10/1/2019-31/12/2022	10/1/2023-9/1/2025	408,053	—	(408,053)	—	—	—
Mr. Ye Liwen	10/1/2019	2.415	10/1/2019-31/12/2022	10/1/2023-9/1/2025	301,604	—	(301,604)	—	—	—
Sub-total					1,011,261					—
<b>Employees:</b>										
In aggregate	10/1/2019	2.415	10/1/2019-31/12/2022	10/1/2023-9/1/2025	26,282,103	—	(26,282,103)	—	—	—
Sub-total					26,282,103					—
Total					27,293,364	—	(27,293,364)	—	—	—

### Notes:

- During the six months ended 30 June 2023, no share option granted was exercised or vested, and accordingly, no weighted average closing price of the share immediately before the date on which the share option exercised or vested has to be disclosed.
- The options granted under the Share Option Scheme were cancelled due to the failure to achieve certain performance indicators or other conditions as stipulated in the Share Option Scheme.

The closing price of the shares of the Company immediately before the date of grant as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was HK\$2.49 per share.

## OTHER INFORMATION

### Fair value of share options and assumptions

The fair value of services received in return for share options granted on 10 January 2019 is measured by reference to the fair value of share options granted. The fair value of the share options granted is measured using a binomial model as at the date of grant. Such fair values are subject to a number of limitations, due to the subjective nature of and uncertainty relating to a number of assumptions under the binomial model. The assumptions used in the valuation of the share options granted on 10 January 2019 are disclosed below. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the model.

Fair value of share options and assumptions are as follows:

Share price (HK\$)	2.520 per share
Exercise price (HK\$)	2.520 per share
Grant date	10 January 2019
Total number of share options granted	109,750,000
Number of share options granted to Directors*	4,000,000
Number of share options granted to employees	105,750,000
Share option period (years)	6

The fair value of share options granted under the Company's Share Option Scheme to each class of grantees are as follows:

Class of grantees	Fair value of share options granted (HK\$)
Directors	2,623,000
Employees	69,689,000

- \* Mr. Wan Yuqing and Mr. Wang Jian were appointed as the Directors of the Company on 26 October 2021 and 1 February 2019, respectively, and accordingly, they were classified as employees when the relevant share options were granted on 10 January 2019.

## OTHER INFORMATION

	Lot 1	Share Options Lot 2	Lot 3
First exercise date	10/1/2021	10/1/2022	10/1/2023
Maturity date	9/1/2023	9/1/2024	9/1/2025
Expected volatility (%)	40.631	40.657	39.160
Dividend yield (%)	4.122	4.122	4.122
Risk-free interest rate (%)	1.744	1.769	1.808
Fair value (HK\$)	22,679,000	24,365,000	25,268,000

Notes:

- (i) The expected volatility is based on the historic volatility, which is calculated based on the weighted average remaining life of the share options and adjusted for any expected changes to future volatility based on publicly available information.
- (ii) The expected dividend yield is based on the dividend payout in the previous year and the average share price in the preceding year.

For the period ended 30 June 2023, total equity-settled share-based payment expense recognised was as follows:

	HK\$'000
Total equity-settled share-based payment expense as at 1 January 2023	—
Cancelled during the period	—
Amortisation during the period	—
	<hr/>
At 30 June 2023	—
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## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES AND COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted a code of conduct regarding Directors' securities transactions ("Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code and the Company's Code of Conduct for the six months ended 30 June 2023.

As at 30 June 2023, according to the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, the interests of the Directors in the shares and underlying shares of the Company were as follows:

#### Long position

##### *Ordinary shares of the Company*

Miss Leung Sau Fan, Sylvia is holding 33,000 (0.001%) shares of the Company.

Save as disclosed above, as at 30 June 2023, none of the Directors, chief executives or their associates had any personal, family, corporate or other interests and short positions in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded in the register maintained under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.



## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, according to the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, the following shareholders had notified the Company of relevant interests in the issued shares of the Company:

#### Ordinary shares of the Company

Name of shareholder	Number of shares			Approximate percentage of the issued share capital of the Company
	Beneficial owner	Held by controlled corporation(s)	Total number of shares	
<b>Long position</b>				
China Poly Group Corporation Limited* (中國保利集團有限公司)	253,788,246	1,583,738,058	1,837,526,304 (Note 1)	48.09%
Poly Developments and Holdings Group Co., Ltd.* (保利發展控股集團股份有限公司)	—	1,583,738,058 (Note 2)	1,583,738,058	41.45%
Poly (Hong Kong) Holdings Limited	120,381,544	1,463,356,514	1,583,738,058 (Note 3)	41.45%
Ting Shing Holdings Limited	—	1,463,356,514 (Note 4)	1,463,356,514	38.30%
Congratulations Company Ltd.	1,111,578,283	—	1,111,578,283	29.09%
Source Holdings Limited	244,594,241	107,183,990	351,778,231 (Note 5)	9.21%

#### Notes:

- China Poly Group Corporation Limited directly holds 253,788,246 shares of the Company beneficially and owns 50% issued share capital of Poly (Hong Kong) Holdings Limited, and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- Poly Developments and Holdings Group Co., Ltd. owns 50% of the issued share capital of Poly (Hong Kong) Holdings Limited and is accordingly deemed by the SFO to be interested in the shares directly and indirectly owned by Poly (Hong Kong) Holdings Limited.
- Poly (Hong Kong) Holdings Limited is deemed by the SFO to be interested in 1,583,738,058 shares of the Company as a result of its direct holding of 120,381,544 shares and indirect holding of 1,463,356,514 shares through its wholly-owned subsidiary, Ting Shing Holdings Limited.

## OTHER INFORMATION

4. Ting Shing Holdings Limited is deemed by the SFO to be interested in 1,463,356,514 shares of the Company as a result of its indirect holding of 1,463,356,514 shares through its subsidiaries, Source Holdings Limited and Congratulations Company Ltd., of 351,778,231 shares and 1,111,578,283 shares, respectively.
5. Source Holdings Limited is deemed by the SFO to be interested in 351,778,231 shares of the Company as a result of its direct holding of 244,594,241 shares and indirect holding of 107,183,990 shares through its wholly-owned subsidiaries, Musical Insight Holdings Ltd. and Wincall Holding Ltd., of 47,825,571 shares and 59,358,419 shares, respectively.

\* *for identification purposes only*

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued shares or underlying shares of the Company as at 30 June 2023.

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER

### Disclosures pursuant to Rule 13.21 of the Listing Rules

1. On 9 September 2019, the Company, a 70% indirect non-wholly owned subsidiary of the Company and Industrial and Commercial Bank of China (Asia) Limited entered into a facility agreement for a term loan up to HK\$2,900,000,000. The final maturity date shall be the earlier of (i) the date falling 60 months after the date of the facility agreement; and (ii) the date falling 9 months after the date of the certificate of compliance of the government grant concerned. Pursuant to the terms and conditions of the facility agreement, the Company shall provide the facility bank with the guarantee in proportion to its ultimate beneficial interest in the said subsidiary.

Pursuant to the facility agreement, if, among other things, China Poly Group Corporation Limited ("China Poly Group") ceases to (a) be the single largest shareholder of the Company; (b) maintain management control of the Board of the Company; or (c) be under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("SASAC"), the bank may declare that all or any part of the advance(s) made by the bank under the facility agreement together with interest and any other amounts accrued thereunder be immediately due and payable.

## OTHER INFORMATION

- On 27 December 2019, the Company (as borrower) and Bank of Communications Co., Ltd. Hong Kong Branch (as lender) entered into a facility agreement for an uncommitted revolving loan facility of up to HK\$400,000,000. The final maturity date of the banking facility shall be the date the bank reviewing the banking facility, which shall fall on or before the date falling one year from the date of the facility letter or at such other times as the bank deems fit. On 22 December 2020, the Company and Bank of Communications Co., Ltd. Hong Kong Branch entered into a supplemental facility agreement to renew the banking facility. The maturity date is falling 364 days from the date of acceptance of the supplemental facility agreement or 27 December 2021, whichever is the earlier. On 25 January 2022, the borrower and the lender entered into the second supplemental facility agreement to renew the facility agreement. The lender agreed to provide the borrower with an uncommitted revolving loan facility of up to HK\$400,000,000 with the maturity date of 27 December 2022. On 19 April 2023, the Company and the lender entered into the third supplemental facility agreement to renew the facility agreement with the maturity date of 27 December 2023.

Pursuant to the banking facility, supplemental facility agreement, the second supplemental facility agreement and the third supplemental facility agreement, if among other things, China Poly Group ceases to: (a) be the single largest shareholder of the Company, or, directly or indirectly through its controlled corporations, hold at least 40% of the issued share capital of the Company; (b) maintain management control of the Company; or (c) be under the control and supervision of the SASAC, all outstanding principal, accrued interests and any other monies owing by the Company to the bank under the banking facility shall be repaid in full immediately.

- On 24 July 2020, a joint venture company ("JV") of the Group in which the Company holds 35% beneficial interest (as borrower), the Company (as one of guarantors) and Industrial and Commercial Bank of China (Asia) Limited (as facility agent), among others, entered into a facility agreement for a 5-year term loan facility of a principal amount of up to HK\$9,437,400,000. Pursuant to the facility agreement, the Company (as one of the guarantors) severally guarantees the due and punctual payment and performance of all obligations of the JV under, among others, the facility agreement, up to 35% of all sums owed by the JV under such obligations. The final maturity date of the loan facility shall be the earlier of the date falling: (a) 60 months from the date of the facility agreement; or (b) 6 months after the completion date of the development of the land held by the JV.

Pursuant to the facility agreement, if, among other things, China Poly Group ceases to: (a) be the single largest shareholder of the Company; (b) maintain control (as defined in the facility agreement) of the Company; and (c) be under the control of the SASAC, the facility agent may declare all or any part of the borrowings together with the interest accrued thereon and all other sums payable by the obligors (including the Company) under the finance documents (as defined in the facility agreement) be immediately due and payable, whereupon the same shall become immediately due and payable.

## OTHER INFORMATION

4. On 10 November 2020, a wholly-owned subsidiary of the Company (as the issuer), the Company (as the guarantor) and China Poly Group entered into a keepwell deed in relation to US\$500,000,000 4.00% notes due 2025 (the "Notes Due 2025").

Pursuant to the keepwell deed and the terms and conditions of the Notes Due 2025, if China Poly Group (a) ceases to be the single largest shareholder of the Company or ceases to hold, directly or indirectly through its controlled corporations (as defined under Part XV of the Securities and Futures Ordinance (Cap. 571) of the law of Hong Kong) at least 40% of the issued share capital of the Company; or (b) ceases to maintain management control of the Company, this will constitute an event of default under the Notes Due 2025.

5. On 7 April 2021, the Company (as borrower) entered into a facility agreement with (1) Bank of Communications Co., Ltd. Hong Kong Branch, China CITIC Bank International Limited, China Everbright Bank Co. Ltd., Hong Kong Branch, Agricultural Bank of China Limited Hong Kong Branch, Chong Hing Bank Limited, CMB Wing Lung Bank Limited, Industrial and Commercial Bank of China (Asia) Limited, Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong Branch and Malayan Banking Berhad (as mandated lead arrangers, bookrunners and lenders); and (2) China CITIC Bank International Limited (as facility agent) for a term loan facility in an aggregate amount of HK\$3,900,000,000. The final maturity date of the facility shall be the date falling 36 months after the first utilisation date of the loan under the facility.

Pursuant to the facility agreement, it shall be an event of default if, among other things, China Poly Group ceases to: (a) (together with its controlled corporations) be the single largest shareholder of the Company, or directly or indirectly through its controlled corporations, to hold at least 40% of the issued share capital of the Company; or (b) maintain management control of the Company; or (c) be under the control and supervision of the SASAC. If an event of default under the facility agreement occurs, the facility agent may declare that all or part of the loans under the facility, together with accrued interest, and all other amounts accrued or outstanding under the facility be immediately due and payable, whereupon they shall become immediately due and payable.

6. On 30 November 2022, the Company, as borrower, and Malayan Banking Berhad, Hong Kong Branch, as lender, entered into a facility agreement. Pursuant to the facility agreement, the bank agreed to provide the Company with an uncommitted short-term revolving credit facility of up to HK\$400,000,000, with the maturity date falling 364 days after the date of the Company's acceptance of the facility agreement.

Pursuant to the terms of the facility agreement, it shall be an event of default if, among other things, China Poly Group ceases to: (a) directly or indirectly through its controlled corporations, hold at least 40% of the issued share capital of the Company; (b) together with its controlled corporations, in aggregate remain as the single largest shareholder of the Company; (c) maintain management control of the Company; or (d) be under the control and supervision of the SASAC. If an event of default under the facility agreement occurs, the facility or any part thereof may be cancelled, whereupon all outstanding principal, accrued interests and any other monies owing by the Company to the bank under the facility agreement shall be repayable on demand.

## OTHER INFORMATION

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the period under review, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “CG Code”).

The Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

### CHANGE IN DIRECTORS’ INFORMATION

There were no changes in the information of Directors required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

### AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) presently comprises four independent non-executive Directors, namely Miss Leung Sau Fan, Sylvia (as Chairlady), Mr. Ip Chun Chung, Robert, Mr. Fung Chi Kin and Mr. Wong Ka Lun.

The members of the Audit Committee have reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of the unaudited condensed financial statements of the Company for the six months ended 30 June 2023. The Audit Committee has approved the unaudited interim financial statements.