



Overseas Chinese Town (Asia) Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03366

**INTERIM REPORT 2024**

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## Corporate Information

### Board of Directors

#### Executive Directors

Ms. Liu Yu (*Chairman*)

Mr. Wang Jianwen (*Chief Executive Officer*)

Ms. Qi Jianrong

#### Non-executive Director

Mr. Yang Guobin

#### Independent Non-executive Directors

Ms. Wong Wai Ling

Professor Lam Sing Kwong Simon

Mr. Chu Wing Yiu

### Audit Committee/ Remuneration Committee

Ms. Wong Wai Ling (*Chairman*)

Professor Lam Sing Kwong Simon

Mr. Yang Guobin

### Nomination Committee

Ms. Liu Yu (*Chairman*)

Ms. Wong Wai Ling

Professor Lam Sing Kwong Simon

### Environmental, Social and Governance (ESG) Committee

Ms. Liu Yu (*Chairman*)

Mr. Wang Jianwen

Ms. Qi Jianrong

Mr. Chu Wing Yiu

### Registered Office

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350, Grand Cayman

KY1-1108, Cayman Islands

### Head Office and Principal Place of Business in Hong Kong

Suite 2103, 21/F, Prudential Tower

The Gateway, Harbour City

21 Canton Road, Tsim Sha Tsui, Kowloon Hong Kong

## Corporate Information

<b>Joint Company Secretaries</b>	Ms. Cheng Mei Ms. Ho Sze Man
<b>Auditor</b>	KPMG Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
<b>Legal Adviser as to Hong Kong law</b>	HW Lawyers Units 2511-2512 K11 Atelier King's Road No. 728 King's Road Hong Kong
<b>Principal Share Registrar and Transfer Office</b>	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350, Grand Cayman Cayman Islands
<b>Hong Kong Branch Share Registrar and Transfer Office</b>	Computershare Hong Kong Investor Services Limited Shops 1712-16, 17/F, Hopewell Centre 183 Queen's Road East, Hong Kong
<b>Principal Bankers</b>	Bank of China (Hong Kong) Limited China Everbright Bank Co., Ltd. Hong Kong Branch Hang Seng Bank Limited Industrial Bank Co., Ltd. Hong Kong Branch Nanyang Commercial Bank, Limited
<b>Stock Information</b>	Listing Date: 2 November 2005 Stock Code: 03366 Stock Short Name: OCT (ASIA)
<b>Company's Website</b>	<a href="http://www.oct-asia.com">http://www.oct-asia.com</a>

# Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of Overseas Chinese Town (Asia) Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 (the “Reporting Period”).

## OPERATING RESULTS AND BUSINESS REVIEW

The external environment became increasingly complicated and grim during the first half of 2024, with uncertainties increased progressively, which led to a hazy outlook and trend for the short and medium term. The overall economic operation of the PRC has exceeded the market expectation, with a year-on-year increase of 5.0% in GDP in the first half of the year, there was no change in the steady operation and the long-term favourable fundamentals of the economy. Internally, the nationwide fixed asset investment recorded a year-on-year growth of 3.9%, and although the real estate investment remained at a low level, investments in infrastructure and manufacturing industry recorded a growth of 5.4% and 9.5% respectively, indicating a recovery in certain sectors of the economy; externally, the total import and export of goods recorded a year-on-year increase of 6.1% in the first half of the year, which shows a continuously positive trend.

During the Reporting Period, the Group strengthened its bottom-line thinking. It continued to make greater efforts on marketing and sales and cash returns, promoted lean management to strictly control different costs, and enhanced post-investment risk management in a bid to prevent from major risks.

During the Reporting Period, the Group recorded revenue of approximately RMB598 million, representing an increase of approximately 208.25% as compared with the same period of last year, which was mainly attributable to the significant growth in income carried forward from the comprehensive development business as compared to the same period last year; and the loss attributable to equity holders of the Group was approximately RMB221 million, mainly attributable to the profit partially offset by increased finance expenses resulted from the year-on-year growth in liabilities and the persistently high US dollar interest rates during the Reporting Period though the significant year-on-year increase in profit from the comprehensive development business and the great year-on-year decline in loss from the investment and fund business in the Reporting Period.

# Management Discussion and Analysis

## Comprehensive Development Business

During the first half of 2024, the adjustment on the nationwide general new real estate market continued. The total sales of top 100 real estate enterprises recorded a year-on-year decrease of 41.6% during the Reporting Period, leading to an enormous challenge to the sales scale and level of profitability of the real estate industry. Driven by the effect of “strive for quantity at the cost of price”, the second-hand real estate market maintained the turnover scale to a certain extent. However, the real estate market in certain cities still faced rather great downward pressure. Against this backdrop, the central government proposed “the policy measure on coordinating research on destocking real estate assets and optimizing and increasing the quantity of flat”, and with the implementation of a number of policies, the turnover of second-hand real estate in certain core cities were first to realize improvement, but the new housing market is yet to experience full recovery when more time is needed to witness the effect of the policies.

During the Reporting Period, the Group’s comprehensive development business recorded a revenue of approximately RMB595 million, representing an increase of approximately 214.81% as compared with the same period last year; the segment profit attributable to equity holders of the Company was approximately RMB62.88 million, representing an increase of approximately 1,109.31% as compared with the same period last year. The increase was mainly attributable to the recognition of a gain on hotel series assets transfer in Shanghai and the higher income carried forward and corresponding profit from the comprehensive development projects during the Reporting Period as compared to the same period last year.

The Group holds comprehensive development projects in Hefei, Shanghai, Chongqing, Zhongshan and other places, with a total land reserve of a gross floor area of approximately 1,208,100 square metres. In the first half of 2024, the operating pressure of the Group continued to increase and contracted sales declined. During the Reporting Period, the Group recorded a total sales area of approximately 29,700 square metres, with a total sales amount of approximately RMB413 million, of which the attributable sales amount was approximately RMB142 million.

## Management Discussion and Analysis

Basic information of the Group's projects are as follows:

No.	Project name	Location	Use of land	Shareholding ratio	Area of land (ten thousand m <sup>2</sup> , full calibre)	Gross floor area (ten thousand m <sup>2</sup> , full calibre)	Total saleable area being launched (ten thousand m <sup>2</sup> , full calibre)
1	Hefei International Town Project (formerly known as Hefei Airport International Town Project)	Hefei Xinqiao Science and Technology Innovation Demonstration Zone	Residential + Commercial + Hotel	51%	130.4	159.3	70.7
2	Hefei OCT Bantang Hot Spring Town Project	Chaohu Economic Development Zone	Residential + Commercial + Hotel	51%	41.5	34.5	4.5
3	Shanghai Suhewan Project*	Inner Ring Core Area of Jing'an District, Shanghai	Residential + Commercial + Hotel	50.50%	7.1	43	22.6
4	Chongqing OCT Land Project	Chongqing Liangjiang New Area	Residential	49%	18	44	61.6
5	Zhongshan Yuhong Project	Zhongshan Torch Industrial Development Zone	Residential	21%	9.1	27.2	25.2

\* See also "Proposed Disposal of Interest in OCT (Shanghai) Land" in this report.

## Management Discussion and Analysis

Among such projects, owing to the “Ten Housing Measures” announced on 15 May 2024 to optimize the sales conditions, the customers in the Hefei market have shown a certain increased intention of homebuying. However, the policy effect only lasted for a relatively short period of time, and a wait-and-see attitude amongst homebuyers became stronger. The suburb where the Hefei International Town Project locates only received rather weak benefits from the policy, and the difference in market boom has further widened as compared to the projects located in main cities. For the suburb, attracting clients from the urban area was rather difficult. During the Reporting Period, Hefei International Town Project identified clients with housing vouchers as its target clients, and through incentives on introducing client to visit, subsidy on flat purchasing and benefits with specific target groups, this project has been ranked first in enterprises accepting housing vouchers in Hefei. During the Reporting Period, affected by the continuously weak market and the severe insufficient amenities within the region, Hefei OCT Bantang Hot Spring Town Project has adjusted the construction progress in accordance with the changes in market demand to avoid additional investment from being deposited.

As at the date of this report, Overseas Chinese Town (Shanghai) Land Company Limited (“OCT (Shanghai) Land”) has completed the disposal of assets in the Shanghai Suhewan Hotel Project at a consideration of RMB2.43 billion (inclusive of value-added tax), bringing capital to the Group. The Group has received the guarantee fee of approximately RMB180 million for the disposal of 51% equity interest in Shanghai Shouchi Enterprise Management Ltd.. The disposal is pending the purchaser to complete its payment of the remaining consideration.

The Group has three industrial park projects in cities including Huizhou, Guangdong and Suzhou, Jiangsu. During the Reporting Period, the leasable area of the industrial parks was approximately 154,000 square metres, with an occupancy rate of 98.7%. With the steady and smooth operation of the industrial parks, the Group recorded a rental income of approximately RMB17.44 million during the Reporting Period, representing an increase of 18.35% as compared with the same period of last year.



# Management Discussion and Analysis

## Equity Investment and Fund Business

According to the analysis report from CVSource and ITJUZI, during the first half of 2024, there was a slight recovery on the investment side of private equity fund industry of the PRC, but there were significant decreases in both fundraising and divestment. The adjustment of regulatory policies, a shift in the investment style, and a change in the investors demands have placed the private equity fund industry in a critical transformation stage, and the industry is still facing a series of tough challenges which need to be resolved.

During the Reporting Period, the segment loss attributable to equity holders of the Company was approximately RMB87.13 million, representing a decrease in loss of approximately 53.4% as compared with the same period last year, which is mainly attributable to the year-on-year decline in the Company's share of loss of associates for the Reporting Period due to the narrowing loss of certain associates.

The Group has its fund business rooted in advantageous areas, such as the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta Economic Circle. With its investment focused on the “cultural tourism + technology” industrial ecosystem, the Group fully utilized the advantages of industrial capital investment and mergers and acquisitions, enhanced investment management capabilities, and improved the post-investment empowerment effect to promote the rapid development of the invested companies, thereby achieving an all-win situation.

The total size of funds managed and invested by the Group amounted to approximately RMB4.37 billion as of 30 June 2024, and the size of actively managed funds was approximately RMB1.5 billion. Four of the companies invested by the funds that the Group participated in have completed their listing, and the application of the listing on STAR Market for one company has been accepted, thus paving the way for the divestment on such companies.

## Management Discussion and Analysis

As previously disclosed, the Group, on behalf of its joint venture, Qiaoheng No. 1 Investment Enterprise (Limited Partnership) (“Qiaoheng No. 1”), filed a claim against another shareholder of Qiaoheng No. 1 to demand for funds and repayment of the loan in compliance with the contract and obtained a favorable judgement. The effective enforcement of the judgement is subject to external factors and uncertainties. Qiaoheng No. 1 is actively pursuing the enforcement of the judgement. The Company will make an announcement in accordance with the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) if there are material developments.

### FINANCIAL REVIEW

As at 30 June 2024, the Group’s total assets amounted to approximately RMB19.868 billion, representing a decrease of approximately 13.4% as compared to approximately RMB22.932 billion as at 31 December 2023. The Group’s total equity amounted to approximately RMB3.074 billion, representing a decrease of approximately 7.9% as compared to approximately RMB3.337 billion as at 31 December 2023, which was mainly due to the loss incurred in the Reporting Period.

For the Reporting Period, the Group realized revenue of approximately RMB598 million, representing an increase of approximately 208.3% as compared to the revenue of approximately RMB194 million for the same period of 2023, of which, the revenue of the comprehensive development business was approximately RMB595 million, representing an increase of approximately 214.8% as compared to the revenue of approximately RMB189 million for the same period of 2023, primarily due to a significant increase in income carried forward from the sale of properties as compared to the same period last year. Revenue from equity investment and fund business was approximately RMB3.21 million for the Reporting Period, representing a decrease of approximately 33.8% as compared to the revenue of approximately RMB4.85 million for the same period of 2023, which was mainly attributable to the decrease in fund management fees received in the Reporting Period as compared to the same period last year. The exit of the finance and leasing business has been completed by the end of 2023.

## Management Discussion and Analysis

For the Reporting Period, the Group's gross profit margin was approximately 18.6% (the same period of 2023: approximately 31.6%), representing a decrease of 13 percentage points compared to the same period of 2023, of which, the gross profit margin of the comprehensive development business was approximately 18.4%, representing a decrease of 13.3 percentage points compared to the same period of 2023, which was mainly due to the relatively lower gross profit margin for the portion of income carried forward from the Hefei International Town Project during the Reporting Period as compared to the same period last year.

For the Reporting Period, loss attributable to equity holders of the Group was approximately RMB221.22 million as compared to the loss of approximately RMB212.43 million for the same period of 2023.

Among these, the profit attributable to the comprehensive development business was approximately RMB62.88 million (the same period of 2023: loss of approximately RMB6.23 million), representing an increase of approximately 1,109.31% compared to the same period of 2023, mainly due to the recognition of gain on transfer of hotel assets by the Company during the Reporting Period and the higher revenue and corresponding profit from property sales carried forward during the Reporting Period as compared to the same period last year, resulting in a turnaround from the loss and a substantial increase in the profit attributable to the equity holders of the Company in respect of the relevant business during the Reporting Period.

During the Reporting Period, loss attributable to the equity investment and fund business was approximately RMB87.13 million (the same period of 2023: loss of approximately RMB186.99 million), representing a decrease in loss of approximately 53.4% compared to the same period of 2023, mainly attributable to the narrowing loss of some of the Group's associates, resulting in a year-on-year decrease in the Company's share of losses of associates during the Reporting Period.

## Management Discussion and Analysis

For the Reporting Period, the basic loss per share attributable to the shareholders of the Company was approximately RMB0.30 (2023: basic loss per share of approximately RMB0.46), representing a decrease in loss per share of approximately RMB0.16 compared to the same period in 2023. The losses for the Reporting Period were approximately RMB207 million (the same period of 2023: losses of approximately RMB244 million), representing a decrease in losses of approximately RMB37 million compared to the same period in 2023, mainly attributable to the significant year-on-year increase in profit from the comprehensive development business and the significant year-on-year decrease in loss from the equity investment and fund business during the Reporting Period. However, due to the year-on-year increase in liabilities as well as the US dollar interest rates keeping its crown during the Reporting Period, the increase in finance charges partially offset the profit, resulting in a limited reduction in loss for the Reporting Period.

### Distribution Costs and Administrative Expenses

For the Reporting Period, the Group's distribution costs amounted to approximately RMB17.98 million (the same period of 2023: approximately RMB33.96 million), representing a decrease of approximately 47.1% compared to the same period in 2023.

For the Reporting Period, the Group's administrative expenses amounted to approximately RMB51.24 million (the same period of 2023: approximately RMB77.53 million), representing a decrease of approximately 33.9% compared to the same period of 2023. Among which, the administrative expenses of the comprehensive development business amounted to approximately RMB38.53 million (the same period of 2023: approximately RMB61.38 million), representing a decrease of approximately 37.2% compared to the same period of 2023, mainly due to the decrease in management expenses owing to the disposal of the hotel assets under the Shanghai Suhewan Project and the significant effect of the continuous cost reduction and efficiency enhancement measures; administrative expenses of the investment and fund business amounted to approximately RMB3.75 million (the same period of 2023: approximately RMB3.43 million), representing an increase of approximately 9.3% compared to the same period of 2023.

# Management Discussion and Analysis

## Interest Expenses

For the Reporting Period, the Group's interest expenses amounted to approximately RMB240.18 million (the same period of 2023: approximately RMB74.30 million), representing an increase of approximately 223.3% compared to the same period of 2023 (mainly attributable to the US\$800 million interest on perpetual bonds recognised in equity in the same period last year, which was replaced with interest on shareholders' loans charged to profit or loss in the Reporting Period). Among which, interest expenses of the comprehensive development business amounted to approximately RMB28.75 million (the same period of 2023: approximately RMB45.60 million), representing a decrease of approximately 37% compared to the same period of 2023, mainly due to the decrease in interest expenses during the Reporting Period as a result of the repayment of borrowings for the Shanghai Suhewan Project and the increase in the amount of interest capitalised as a result of the high interest rates on overseas loans compared to the same period last year; interest expenses of the investment and fund business amounted to approximately RMB46.55 million (the same period of 2023: approximately RMB24.85 million), representing an increase of approximately 87.3% compared to the same period of 2023, mainly due to the significant increase in head office interest expense costs caused by the interest rate hike of US dollars and a year-on-year increase in the sharing of segment expenses during the Reporting Period.

## Dividends

The Board did not recommend the payment of an interim dividend for the half year ended 30 June 2024 (the same period of 2023: Nil) after considering the Group's long-term development and active participation in potential investment opportunities.

# Management Discussion and Analysis

## Liquidity, Financial Resources and Capital Structure

The total equity of the Group as at 30 June 2024 was approximately RMB3.074 billion (31 December 2023: approximately RMB3.337 billion); current assets were approximately RMB15.849 billion (31 December 2023: approximately RMB18.769 billion); and current liabilities were approximately RMB8.866 billion (31 December 2023: approximately RMB11.885 billion). The current ratio was approximately 1.79 as at 30 June 2024, representing an increase of 0.21 as compared to that as at 31 December 2023 (31 December 2023: approximately 1.58), mainly due to the replacement of part of the offshore bank loans with long-term related party loans and the repayment of part of the short-term bank borrowings for the projects during the Reporting Period. The Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 30 June 2024, the Group had outstanding bank and other loans of approximately RMB2.925 billion, without fixed rate loans in RMB (31 December 2023: outstanding bank and other loans of approximately RMB3.648 billion, without fixed rate loans in RMB). As at 30 June 2024, the interest rates of bank and other loans of the Group ranged from 2.80% to 6.57% per annum (31 December 2023: ranged from 3.05% to 6.82% per annum). Some of those bank loans were secured by certain assets of the Group and corporate guarantees provided by certain related companies of the Company. The Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 58.1% as at 30 June 2024, representing an increase of approximately 6.6 percentage points as compared with that of approximately 51.5% as at 31 December 2023, which was mainly due to a 13.4% decrease in total assets at the end of the Reporting Period compared with the beginning of the Reporting Period.

## Management Discussion and Analysis

As at 30 June 2024, approximately 40.6% of the total amount of outstanding bank and other loans of the Group amounting to approximately RMB1.186 billion was denominated in Hong Kong dollars (31 December 2023: approximately 51.7%); and approximately 59.4% amounting to approximately RMB1.739 billion was denominated in Renminbi (31 December 2023: approximately 48.3%). As at 30 June 2024, approximately 0.02% of the total amount of cash and cash equivalents of the Group was denominated in United States dollars (31 December 2023: approximately 0.02%); approximately 97.18% was denominated in Renminbi (31 December 2023: approximately 95.4%); and approximately 2.8% was denominated in Hong Kong dollars (31 December 2023: approximately 4.6%).

The Group adopts prudent funding and treasury policies. Its liquidity position remains stable during the Reporting Period. The Group's transactions and monetary assets are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The Group's operations and liquidity did not experience any material difficulties or impacts as a result of fluctuations in currency exchange rates during the Reporting Period. The Group did not enter into any foreign exchange forward contracts or other material financial instruments for hedging foreign exchange risk purposes during the Reporting Period.

### Contingent Liabilities

As part of its ordinary and usual course of business, the Group enters into agreements with certain banks with respect to mortgage loans provided to buyers of property units sold by the Group. Pursuant to the mortgage agreements between the Group and the banks, the guarantee will be released upon the issuance of the individual property ownership certificate. Should the mortgagors fail to pay the mortgage monthly instalment before the issuance of the individual property ownership certificate, the banks could withdraw from the security deposits of a maximum amount up to the amount of outstanding mortgage installments and could demand the Group to repay the outstanding balance if the deposit balance is insufficient.

## Management Discussion and Analysis

The amount of security deposits required varies among different banks, but usually ranges between 0% to 5% of the mortgage loans granted to buyers, and with a prescribed capped amount.

The management does not consider it probable that the Group will sustain a material loss under these guarantees over the term of the guarantee as the banks have the right to sell the relevant properties and recover the outstanding amount from the sale proceeds if the property buyers default on payment. The management also considers that the market value of the relevant properties can cover the outstanding mortgage loans guaranteed by the Group. Accordingly, no liabilities are recognised in respect of these guarantees.

As at 30 June 2024, guarantees provided to financial institutions for mortgage facilities granted to buyers of the Group's properties amounted to approximately RMB878 million (31 December 2023: approximately RMB559 million).

## OUTLOOK

In the second half of 2024, growth of the global economy is expected to be remaining at a low rate, while China economy is expected to be recovering. Taking also into account a lower base value due to a weaker economic momentum in the second half of 2023, the growth in GDP for 2024 could reach the targeted rate of 5%. With the effect of the policy support and high base value, it is expected that the year-on-year decrease in the sales of new flat in the real estate market would be narrowed, however, the investment performance and work commencement may continue to be on a weak trajectory, the market is still in a stage of consolidating its base. The macro-economic policies may provide further effect on stabilizing the economy, it is expected that the focuses of the policies on real estate sector will be on “stabilizing the economy” and “destocking”, and the ancillary policies are expected to be optimized and implemented continuously, which facilitate on raising the expectation of the income of residents and provide a turnover on the expectation of downward movement in the price of real estate.



## Management Discussion and Analysis

In the second half of 2024, the Group will adhere to the business development rationale of “adjusting its structure, lean management and strengthening the principal business” in the comprehensive development business, and be innovative in its marketing so as to seize structural opportunities in the market; the Group intends to accelerate destocking of its real estate projects and to promote a stable return of fund flow. Hefei International Town Project will adhere to the rationale of “big marketing”, and to strengthen the empowerment of the ancillary facilities of the international town through “introduction by quality culture, commerce and tourism resources + promotion with festive activities”, in order to create the differentiated scenario of lakeside living and tourism products of urban micro-vacation, so as to empowering the marketing and destocking continuously. The industrial parks will enhance and optimize the operation management capability, aiming to raise the returns on net assets.

In the second half of 2024, in terms of equity investment and fund business, the funds business of the Group will fully leverage on the industrial resource advantages of OCT and capture the investment opportunities from the third wave of AI trend in an active manner, in order to reserve high-quality investment targets for the Company. The Group will also actively mobilize industrial resources and financial resources in promoting the development and growth of invested companies, and exit at the appropriate time, so as to accelerate the collection of returns.

Strengthening the Group’s financial profile and flexibility, managing finance costs and indebtedness level, and promoting business sustainability continue to be prominent factors in short to medium term. In the second half of 2024, the Group will strictly adhere to its bottom line of risk appetite. The Group will also continue to enhance its profitability and the level of its corporate governance, and seek for breakthrough while addressing the changes it encounters, and to enhance the operational capabilities through optimizing the management efficiency, with a view to building itself into a market-oriented operating entity with excellence in both industrial operation and capital operation.

# Management Discussion and Analysis

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group employed 193 full-time staff. Total staff costs were approximately RMB43.72 million for the Reporting Period. The basic remuneration of the employees of the Group is mainly determined with reference to the industry's remuneration benchmark, the employees' experience and their performance, and equal opportunities are offered to all staff members. Salaries of the employees are maintained at a competitive level and are reviewed annually, with reference to the relevant labour market and the economic situation. Apart from the basic remuneration and statutory benefits, the Group also provides bonuses to the staff based upon the Group's results and their individual performance. The Group also participates in pension schemes pursuant to relevant laws and regulations. Directors' and senior management' remuneration is determined based on a variety of factors such as individual duties, qualifications and experience, prevailing market conditions, and the Company's performance and their individual performance. The Group provides comprehensive training to its employees covering areas such as operation and business-oriented training, legal and risk management, and integrity education.

The Group has not experienced any significant problems with its employees or disruptions to its operations due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff during the Reporting Period. The Group maintains a good relationship with its employees. Most members of the senior management have been working for the Group for many years.

# Management Discussion and Analysis

## SUBSEQUENT EVENTS

### Proposed Disposal of Interest in OCT (Shanghai) Land

On 29 July 2024, Great Tec Investment Limited (an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement with respect to the disposal of its entire interests in OCT (Shanghai) Land (representing approximately 50.5% of the equity interest of such target company) for a consideration of RMB2,055,399,300. The disposal constitutes a very substantial disposal and a connected transaction of the Company pursuant to Chapters 14 and 14A of the Listing Rules, and is subject to, among other things, approval by the Company's independent shareholders, and fulfilment of other conditions precedent. More information about the disposal and the aforesaid equity transfer agreement with Shanghai Highpower OCT Investment Co., Ltd. (the purchaser) is set out in the Company's announcement dated 29 July 2024.

### Change of Address of Head Office and Principal Place of Business in Hong Kong

With effect from 31 July 2024, the Company's head office and principal place of business in Hong Kong has been changed to Suite 2103, 21/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

## IMPORTANT EVENTS

### Amendments to the Memorandum and Articles of Association

In view of the Core Shareholder Protection Standards as set out in the Listing Rules and the updates on the applicable laws in the Cayman Islands, the Company adopted the third amended and restated memorandum and articles of association with effect from 17 June 2024 with the approval of the Shareholders by way of a special resolution at a general meeting. More information is set out in the Company's circular dated 23 May 2024.

# Management Discussion and Analysis

## Continuing Connected Transaction – Product Procurement Services

On 8 March 2024, Hefei OCT Industry Development Co., Ltd. (an indirect non-wholly owned subsidiary of the Company) entered into the supplemental Konka products procurement framework agreement with Yilifang (Hainan) Technology Limited (“Yilifang”) and Shenzhen Konka Zhitung Technology Co., Ltd. (“Konka ZT”) for Konka ZT to replace Yilifang to provide Konka products procurement services to Hefei OCT Industry Development Co., Ltd. for a new term until 31 December 2025. The annual caps for 2024 and 2025 are RMB9 million and RMB4 million, respectively. The arrangement terminated the previous continuing connected transactions with Yilifang and constituted new continuing connected transactions with Konka ZT. More information is set out in the Company’s announcement dated 8 March 2024.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL

Save as disclosed in this report, the Group had no significant investments held, nor material acquisitions and disposal of subsidiaries, associates or joint ventures during the Reporting Period, and there is no specific plan for material investments or additions of capital assets as of the date of this report.

## Shareholding Disclosure

### DIRECTORS' AND CHIEF EXECUTIVE'S SHAREHOLDING INTERESTS

Save as disclosed below, as at 30 June 2024, no interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) were held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules:

#### Long positions in ordinary shares of the Company ("Shares")

Name of Directors	Capacity/Nature	Number of Shares interested	Percentage of issued Shares (approximate)
Lam Sing Kwong Simon	Beneficial owner	1,000,000	0.13%

## Shareholding Disclosure

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2024, so far as the Directors are aware of, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Long positions in Shares

Name of substantial shareholders	Capacity/Nature	Number of Shares interested	Percentage of issued Shares (approximate)
Pacific Climax Limited ("Pacific Climax")	Beneficial owner (note 1)	530,894,000	70.94%
Overseas Chinese Town (HK) Company Limited ("OCT (HK)")	Interest of controlled corporation (note 2)	530,894,000	70.94%
Shenzhen Overseas Chinese Town Company Limited ("OCT Ltd.")	Interest of controlled corporation (note 3)	530,894,000	70.94%
Overseas Chinese Town Group Company Limited ("OCT Group")	Interest of controlled corporation (note 4)	530,894,000	70.94%

## Shareholding Disclosure

### Notes:

So far as the Company is aware of:

- (1) Pacific Climax holds 530,894,000 Shares. Mr. Wang Jianwen holds directorship in Pacific Climax.
- (2) OCT (HK) is the beneficial owner of all the issued share capital in Pacific Climax. Therefore, OCT (HK) is deemed, or taken to be interested in all the Shares beneficially held by Pacific Climax for the purpose of the SFO. Ms. Liu Yu is the chairperson of the board of directors of OCT (HK); Mr. Wang Jianwen is a director and general manager of OCT (HK); and Mr. Yang Guobin is a director of OCT (HK).
- (3) OCT Ltd. is the beneficial owner of all the issued share capital of OCT (HK), which is in turn the beneficial owner of all the issued share capital of Pacific Climax. OCT Ltd. is deemed, or taken to be interested in all the Shares which are beneficially owned by OCT (HK) and Pacific Climax pursuant to the SFO. The shares of OCT Ltd. are listed on the Shenzhen Stock Exchange. Ms. Liu Yu holds the position of vice general accountant in OCT Ltd.
- (4) OCT Group is the holding company of OCT Ltd. OCT Group, together with its wholly-owned subsidiary, Shenzhen OCT Capital Investment Management Company Limited, hold approximately 47.97% interests in OCT Ltd., which is the beneficial owner of all the issued shares of OCT (HK) and in turn, the beneficial owner of all the issued share capital of Pacific Climax. Therefore, OCT Group is deemed, or taken to be interested in all the Shares which are beneficially owned by OCT Ltd., OCT (HK) and Pacific Climax for the purpose of the SFO. Ms. Liu Yu holds the position of finance operation general manager in OCT Group.

Save as disclosed above, as of 30 June 2024, the Company has not been notified of other interests required to be recorded in the register kept under section 336 of the SFO or of any director being a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

# Corporate Governance and Other Information

## CORPORATE GOVERNANCE

The Company believes that conducting business with good corporate practices could enhance the shareholder value and investors' confidence in the long run. The Company is committed to promote integrity, transparency, accountability, high ethical standards, and sustainability of the development of its business and the communities in which the Group operates. During the Reporting Period, the Company has complied with all the applicable code provisions in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. The Directors, upon specific enquiry, have confirmed his/her compliance with the Model Code and its required standards regarding Directors' securities transactions during the Reporting Period.

## AUDIT COMMITTEE

The audit committee of the Company and the management have reviewed the unaudited interim results, the Company's interim results announcement and this report, and discussed the internal control, accounting principles and practices adopted by the Group with the management of the Company.



# Corporate Governance and Other Information

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of its listed securities (including sale of treasury shares) during the Reporting Period. As of 30 June 2024, the Company did not hold any treasury shares.

By Order of the Board  
**Overseas Chinese Town (Asia) Holdings Limited**  
**Liu Yu**  
*Chairman*

Hong Kong, 27 August 2024

*Certain Chinese names of institutions, natural persons or other entities have been translated into English and included in this report as unofficial translations for reference only. In the event of any inconsistency, the Chinese names shall prevail.*

*Certain figures set out in this report have been subject to rounding adjustment.*

*This report contains certain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future. These statements are based on a number of assumptions, current estimates and projections, and subject to inherent risks, uncertainties and factors beyond control. Actual outcomes may differ. Nothing contained in these statements is, and shall not be seen as, any assurance, representation or warranty otherwise, and shall not be so relied upon. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update, supplement, correct these statements or adapt them to future events.*

## Consolidated Statement of Profit or Loss

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	2024 RMB'000	2023 RMB'000
<b>Revenue</b>	3	<b>598,479</b>	193,621
Cost of sales		<b>(487,057)</b>	(132,468)
<b>Gross profit</b>		<b>111,422</b>	61,153
Other income		<b>12,077</b>	15,662
Other net gain/(loss)		<b>221,236</b>	(2,662)
Distribution costs		<b>(17,976)</b>	(33,961)
Administrative expenses		<b>(51,239)</b>	(77,531)
<b>Profit/(loss) from operations</b>		<b>275,520</b>	(37,339)
Finance costs	4(a)	<b>(240,181)</b>	(74,300)
Share of profits less losses of associates		<b>836</b>	(93,103)
Share of profits less losses of joint ventures		<b>(25,469)</b>	(30,642)
<b>Profit/(loss) before taxation</b>	4	<b>10,706</b>	(235,384)
Income tax	5	<b>(217,846)</b>	(8,157)
<b>Loss for the period</b>		<b>(207,140)</b>	(243,541)
<b>Attributable to:</b>			
Equity holders of the Company		<b>(221,217)</b>	(212,428)
Non-controlling interests		<b>14,077</b>	(31,113)
<b>Loss for the period</b>		<b>(207,140)</b>	(243,541)
<b>Basic loss per share (RMB)</b>	6	<b>(0.296)</b>	(0.456)

The notes on pages 34 to 52 form part of this interim financial report.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Loss for the period</b>	<b>(207,140)</b>	<b>(243,541)</b>
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences	(60,013)	(178,199)
Share of other comprehensive income of associates	3,960	7,316
	<b>(56,053)</b>	<b>(170,883)</b>
<b>Other comprehensive income for the period</b>	<b>(56,053)</b>	<b>(170,883)</b>
<b>Total comprehensive income for the period</b>	<b>(263,193)</b>	<b>(414,424)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(277,270)	(383,311)
Non-controlling interests	14,077	(31,113)
<b>Total comprehensive income for the period</b>	<b>(263,193)</b>	<b>(414,424)</b>

The notes on pages 34 to 52 form part of this interim financial report.

# Consolidated Statement of Financial Position

at 30 June 2024 – unaudited  
(Expressed in Renminbi)

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	Note		
<b>Non-current assets</b>			
Investment property		399,155	407,153
Property, plant and equipment	7	504,864	509,936
Interests in leasehold land held for own use		232,280	235,603
		<b>1,136,299</b>	1,152,692
Intangible assets		12,033	16,040
Interests in associates	8	1,875,989	1,894,443
Interests in joint ventures	9	509,191	536,079
Other financial assets		330,535	368,958
Deferred tax assets		154,676	194,440
		<b>4,018,723</b>	4,162,652
<b>Current assets</b>			
Inventories and other contract costs		12,195,856	12,422,277
Trade and other receivables	10	243,396	297,719
Cash at bank and on hand	11	1,463,148	2,457,335
		<b>13,902,400</b>	15,177,331
Assets of disposal group classified as held for sale	12	1,946,929	3,591,622
		<b>15,849,329</b>	18,768,953

# Consolidated Statement of Financial Position

at 30 June 2024 – unaudited  
(Expressed in Renminbi)

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	Note		
<b>Current liabilities</b>			
Trade and other payables	13	2,710,881	4,837,993
Contract liabilities		719,388	1,217,635
Lease liabilities		3,095	5,596
Bank and other loans		1,831,354	2,343,938
Loans from related parties and non-controlling interests		1,911,000	1,911,000
Current taxation		282,435	156,224
		<u>7,458,153</u>	<u>10,472,386</u>
Liabilities directly associated with assets of disposal group classified as held for sale	12	1,407,821	1,413,075
		<u>8,865,974</u>	<u>11,885,461</u>
<b>Net current assets</b>		<u>6,983,355</u>	<u>6,883,492</u>
<b>Total assets less current liabilities</b>		<u>11,002,078</u>	<u>11,046,144</u>
<b>Non-current liabilities</b>			
Bank and other loans		1,093,852	1,303,645
Related party loans		6,704,085	6,241,988
Lease liabilities		2,412	653
Deferred tax liabilities		127,615	162,551
		<u>7,927,964</u>	<u>7,708,837</u>
<b>NET ASSETS</b>		<u>3,074,114</u>	<u>3,337,307</u>

# Consolidated Statement of Financial Position

at 30 June 2024 – unaudited  
(Expressed in Renminbi)

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>CAPITAL AND RESERVES</b>		
Share capital	67,337	67,337
Deficits	(564,778)	(287,508)
<b>Total deficits attributable to equity holders of the Company</b>	(497,441)	(220,171)
<b>Non-controlling interests</b>	3,571,555	3,557,478
<b>TOTAL EQUITY</b>	3,074,114	3,337,307

The notes on pages 34 to 52 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

	Attributable to equity holders of the Company											
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Perpetual capital securities RMB'000	PRC statutory reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2023</b>	67,337	36,884	147,711	31,020	5,615,314	357,365	(754,034)	(32,058)	715,736	6,185,275	3,695,408	9,880,683
<b>Changes in equity for the six months ended 30 June 2023:</b>												
Loss for the period	-	-	-	-	128,484	-	-	-	(340,912)	(212,428)	(31,113)	(243,541)
Other comprehensive income	-	-	-	-	-	-	(170,883)	-	-	(170,883)	-	(170,883)
Total comprehensive income	-	-	-	-	128,484	-	(170,883)	-	(340,912)	(383,311)	(31,113)	(414,424)
Distribution to holders of perpetual capital securities	-	-	-	-	(122,364)	-	-	-	-	(122,364)	-	(122,364)
Redemption of perpetual capital securities	-	-	-	-	(3,538,814)	-	-	(36,101)	-	(3,574,915)	-	(3,574,915)
<b>Balance at 30 June 2023 and 1 July 2023</b>	67,337	36,884	147,711	31,020	2,082,620	357,365	(924,917)	(68,159)	374,824	2,104,685	3,664,295	5,768,980
<b>Changes in equity for the six months ended 31 December 2023</b>												
Loss for the period	-	-	-	-	257	-	-	-	(252,357)	(252,100)	(106,817)	(358,917)
Other comprehensive income	-	-	-	-	-	-	108,806	-	-	108,806	-	108,806
Total comprehensive income	-	-	-	-	257	-	108,806	-	(252,357)	(143,294)	(106,817)	(250,111)
Transfer to PRC statutory reserves	-	-	-	-	-	10,445	-	-	(10,445)	-	-	-
Distribution to the holders of perpetual capital securities	-	-	-	-	(128,741)	-	-	-	-	(128,741)	-	(128,741)
Redemption of perpetual capital securities	-	-	-	-	(1,954,136)	-	(107,532)	8,847	-	(2,062,821)	-	(2,062,821)
<b>Balance at 31 December 2023</b>	67,337	36,884	147,711	31,020	-	367,810	(923,643)	(59,312)	112,022	(220,171)	3,557,478	3,337,307

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

	Attributable to equity holders of the Company											
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Perpetual capital securities RMB'000	PRC statutory reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Retained profits/	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
									(accumulated			
									losses)			
Balance at 1 January 2024	67,337	36,884	147,711	31,020	-	367,810	(923,643)	(59,312)	112,022	(220,171)	3,557,478	3,337,307
Changes in equity for the six months ended 30 June 2024:												
Loss for the period	-	-	-	-	-	-	-	-	(221,217)	(221,217)	14,077	(207,140)
Other comprehensive income	-	-	-	-	-	-	(56,053)	-	-	(56,053)	-	(56,053)
Total comprehensive income	-	-	-	-	-	-	(56,053)	-	(221,217)	(277,270)	14,077	(263,193)
Balance at 30 June 2024	67,337	36,884	147,711	31,020	-	367,810	(979,696)	(59,312)	(109,195)	(497,441)	3,571,555	3,074,114

The notes on pages 34 to 52 form part of this interim financial report.



# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>OPERATING ACTIVITIES</b>		
Cash used in operations	(496,208)	(781,515)
Tax paid	(81,390)	(46,415)
Interest element of lease rentals paid	(47)	(177)
Other interest paid	(104,434)	(158,493)
<b>Net cash used in operating activities</b>	<b>(682,079)</b>	<b>(986,600)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of other financial assets	6,085	1,979
Dividends received from associates and joint ventures	3,548	14,822
Return of investment from a joint venture	13,200	67,000
Interest received	12,273	13,999
Payment for purchase of property, plant and equipment and intangible assets	(66)	(3,715)
Proceeds from deposit for property, plant and equipment and investment property	–	10,427
Proceeds from disposal of assets held for sale	–	123,600
Repayment to the advance from an associate	(24,684)	(4,950)
<b>Net cash generated from investing activities</b>	<b>10,356</b>	<b>223,162</b>

# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>FINANCING ACTIVITIES</b>			
Capital element of lease rentals paid		(4,392)	(5,805)
Proceeds from loans		823,503	2,403,676
Repayment of loans		(1,144,980)	(1,335,275)
Distribution to holders of perpetual capital securities		—	(122,364)
<b>Net cash (used in)/generated from financing activities</b>		<b>(325,869)</b>	<b>940,232</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(997,592)</b>	<b>176,794</b>
<b>Cash and cash equivalents at 1 January</b>		<b>2,457,335</b>	<b>2,357,139</b>
<b>Cash and cash equivalents included in assets and liabilities of a disposal group classified as held for sale</b>		<b>3,115</b>	<b>—</b>
Effect of foreign exchange rate changes		290	25,917
<b>Cash and cash equivalents at 30 June</b>	11	<b>1,463,148</b>	<b>2,559,850</b>

The notes on pages 34 to 52 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 27 August 2024.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, 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 interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the HKICPA.

The interim financial report is unaudited and has not been reviewed by the auditor, but has been reviewed by the audit committee of the Company.

## 2 CHANGES IN ACCOUNTING POLICIES

### (a) New and amended HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### (a) New and amended HKFRSs (continued)

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 REVENUE AND SEGMENT REPORTING

### (a) Disaggregating of revenue

The principal activities of the Group are comprehensive development business and equity investment and fund business.

Revenue represents the sales value of goods or services supplied to customers net of sales related tax. Disaggregation of revenue with customer by business lines is as follows:

	For the six months ended 30 June 2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by business lines		
– Sale of properties	516,567	22,129
– Hotel revenue	26,857	113,738
– Fund management fee income	3,209	4,849
	546,633	140,716
Revenue from other sources		
– Rental income from investment properties	51,846	52,905
	598,479	193,621

Further details regarding the Group's principal activities are disclosed in note 3(b).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 3 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the most senior executive management of the Group for the purposes of resource allocation and performance assessment, the Group has the following two reportable segments.

- Comprehensive development business: this segment engaged in development and sale of residential properties, development and management of properties, property investment and operation of hotel.
- Equity investment and fund business: this segment engaged in the investment in new urbanisation industrial ecosphere, such as domestic and overseas direct investments, industrial fund.

### (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current and non-current assets. Segment liabilities include trade creditors, accruals and lease liabilities attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

The measure used for reporting segment result is "net profit" after taxation. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 3 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting (continued)

#### (i) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below.

	Comprehensive development business		Equity investment and fund business		Total	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended 30 June						
Revenue from contracts with customers within the scope of HKFRS 15						
Disaggregated by timing of revenue recognition						
Point in time	543,424	135,867	-	-	543,424	135,867
Over time	-	-	3,209	4,849	3,209	4,849
Revenue from other sources	51,846	52,905	-	-	51,846	52,905
Revenue from external customers	595,270	188,772	3,209	4,849	598,479	193,621
Reportable segment revenue	595,270	188,772	3,209	4,849	598,479	193,621
Reportable segment profit/(loss) for the period	76,960	(37,340)	(87,134)	(186,990)	(10,174)	(224,330)
As at 30 June/31 December						
Reportable segment assets	17,743,607	20,747,147	1,810,910	1,894,963	19,554,517	22,642,110
Reportable segment liabilities	8,645,059	10,978,373	734,348	693,623	9,379,407	11,671,996

#### (ii) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Reportable segment loss	(10,174)	(224,330)
Unallocated head office and corporate expense	(196,966)	(19,211)
Consolidated loss	(207,140)	(243,541)

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 3 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting (continued)

#### (iii) Reconciliations of reportable segment assets and liabilities

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Assets</b>		
Reportable segment assets	19,554,517	22,642,110
Unallocated head office and corporate assets	313,535	289,495
Consolidated total assets	19,868,052	22,931,605
<b>Liabilities</b>		
Reportable segment liabilities	9,379,407	11,671,996
Unallocated head office and corporate liabilities	7,414,531	7,922,302
Consolidated total liabilities	16,793,938	19,594,298

#### (iv) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external. The geographical location of customers is based on the location at which the services were provided or the goods and properties sold.

	Six months ended 30 June 2024 RMB'000	2023 RMB'000
Chinese Mainland	596,012	191,197
Hong Kong	2,467	2,424
	598,479	193,621

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 4 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

### (a) Finance costs

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest on bank and other loans	103,508	129,218
Interest on lease liabilities	22	177
Interest on loans from related parties and non-controlling interests	209,136	48,489
Total interest expense	312,666	177,884
Less: amount capitalised	(72,485)	(103,584)
	<u>240,181</u>	<u>74,300</u>

### (b) Other items

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest income	(11,862)	(14,959)
Amortisation of intangible assets	4,008	4,469
Depreciation charge		
– investment property, owned property, plant and equipment	24,821	39,034
– right-of-use assets	5,004	24,035
Total depreciation expense	29,825	63,069
Less: amount capitalised to construction in progress	(3,294)	(2,841)
	<u>26,531</u>	<u>60,228</u>
Fair value loss on financial assets measured at fair value through profit or loss ("FVTPL")	32,338	–
Net gain on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale	(266,986)	(7,425)
Net exchange gain	<u>(11,978)</u>	<u>(5,385)</u>



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for corporate income tax ("CIT")	23,675	6,086
Over-provision in respect of prior period	(367)	–
	<u>23,308</u>	<u>6,086</u>
PRC land appreciation tax ("LAT")	199,366	2,071
	<u>222,674</u>	<u>8,157</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(4,828)	–
	<u>217,846</u>	<u>8,157</u>

### (i) CIT

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands during the reporting period (six months ended 30 June 2023: nil).

No provision for Hong Kong profits tax is required since the Group has no assessable profit for the six months ended 30 June 2024 and 2023.

Pursuant to the income tax rules and regulations of the PRC, taxation for PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant cities in the PRC at 25% (six months ended 30 June 2023: 25%).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

### (ii) PRC LAT

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of profit or loss as income tax. The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual PRC LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC LAT is calculated.

## 6 BASIC LOSS PER SHARE

### (a) Loss attributable to ordinary equity shareholders of the Company

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Loss attributable to equity holders of the Company	(221,217)	(212,428)
Less: profit attributable to the holders of perpetual capital securities	—	(128,484)
Loss attributable to ordinary equity shareholders	(221,217)	(340,912)

### (b) Weighted average number of ordinary shares

	Six months ended 30 June	
	2024	2023
	'000	'000
Issued ordinary shares	748,366	748,366

No dilutive loss per share is presented as there were no dilutive potential ordinary shares in issue during both periods.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 7 PROPERTY, PLANT AND EQUIPMENT

### Acquisitions of owned assets

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of RMB66,000 (six months ended 30 June 2023: RMB3,715,000).

## 8 INTERESTS IN ASSOCIATES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Listed investments (note):		
– Share of net assets	412,311	406,034
– Goodwill	246,911	246,911
	<u>659,222</u>	<u>652,945</u>
Unlisted investments:		
– Share of net assets	1,215,407	1,240,138
– Goodwill	1,360	1,360
	<u>1,216,767</u>	<u>1,241,498</u>
	<u>1,875,989</u>	<u>1,894,443</u>

Note: As at 30 June 2024, the fair value of interests in associates whose shares are listed amounted to RMB211,425,000 (2023: RMB246,890,000).

## 9 INTERESTS IN JOINT VENTURES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Unlisted investments:		
– Share of net assets	<u>509,191</u>	<u>536,079</u>

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 10 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivable		
– Amounts due from third parties	16,565	55,804
Less: loss allowance	(223)	(388)
	<u>16,342</u>	<u>55,416</u>
Other receivables (note (i)):		
– Amounts due from associates	7,647	7,742
– Amount due from an intermediate parent	1,094	1,094
– Amounts due from fellow subsidiaries	6,327	6,795
– Amounts due from third parties	41,336	45,237
	<u>56,404</u>	<u>60,868</u>
Less: loss allowance	(33)	(33)
	<u>56,371</u>	<u>60,835</u>
Financial assets measured at amortised cost	72,713	116,251
Prepaid taxes (note (ii))	160,536	168,379
Deposits and other prepayments	10,147	13,089
	<u>243,396</u>	<u>297,719</u>

Notes:

- (i) As at 30 June 2024, the amounts due from associates, intermediate parents, fellow subsidiaries and other related parties are unsecured, non-interest bearing and repayable on demand.
- (ii) As at 30 June 2024, the prepaid taxes include CIT amounting to RMB14,363,000 (2023: RMB6,521,000) and LAT amounting to RMB47,396,000 (2023: RMB52,911,000).
- (iii) As at 30 June 2024, all of the trade and other receivables, and deposits are expected to be recovered within one year.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 10 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30 June 2024, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	<u>16,342</u>	<u>55,416</u>

## 11 CASH AT BANK AND ON HAND

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank and on hand	<u>1,275,586</u>	2,249,761
Property pre-sale proceeds (note (i))	<u>187,562</u>	207,574
Cash at bank and on hand on the consolidated statement of financial position	<u>1,463,148</u>	2,457,335
Cash and cash equivalents on the consolidated cash flow statement	<u>1,463,148</u>	2,457,335

Notes:

- (i) In accordance with the relevant laws and regulations governing the pre-sale of residential properties in Chinese Mainland, prepayments by customers are held by the local authorities and the relevant banks. The amounts can be released to the Group for meeting certain prescribed costs associated with the property development or if certain conditions are fulfilled.
- (ii) As at 30 June 2024, cash and cash equivalents situated in Chinese Mainland amounted to RMB1,417,689,000 (2023: RMB2,340,541,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 12 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

### (a) Shanghai Shouchi

On 11 November 2022, the Group proceeded with public tender of disposal of 51% equity interests in Shanghai Shouchi on China Beijing Equity Exchange (CBEX). On 3 April 2023, the Group has been informed by CBEX that Shanghai Shengfenlai Enterprise Consultation Partnership (Limited Partnership) was the successful bidder of the proposed disposal. It is expected the Group and the bidder will enter into the transaction agreement at the consideration of HK\$685,123,000 (equivalent to RMB612,000,000) and complete the transaction in 2024.

#### (i) Assets of disposal group classified as held for sale:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash and cash equivalents	7,030	3,914
Trade and other receivables	2,177	2,177
Investment properties	1,937,722	1,937,722
	<u>1,946,929</u>	<u>1,943,813</u>

#### (ii) Liabilities directly associated with assets of disposal group classified as held for sale:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade and other payables	16,966	18,410
Bank and other loan (note)	1,386,212	1,390,000
Current taxation	4,643	4,665
	<u>1,407,821</u>	<u>1,413,075</u>

Note: The bank and other loan was secured by the investment properties in the assets of disposal group.

The assets and liabilities of disposal group excluded an amount of RMB5,997,000 due to the Group which was eliminated in consolidation (2023: RMB5,863,000).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 12 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

### (b) A series of assets of the hotel in the Suhewan project

On 21 November 2023, the Group proceeded with public tender of disposal of assets on China Beijing Equity Exchange. Accordingly, the Sale Assets, a series of assets of the hotel in the Suhewan project, are reclassified as assets of disposal group classified as held for sale. The disposal of assets was completed on 27 February 2024.

*Assets of disposal group classified as held for sale:*

	2023 RMB'000
Property, plant and equipment	783,453
Interests in leasehold land held for own use	864,356
	<u>1,647,809</u>

## 13 TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade creditors:		
– Amounts due to fellow subsidiaries	26,993	50,738
– Amounts due to third parties	860,154	951,408
	<u>887,147</u>	<u>1,002,146</u>
Other payables and accruals:		
– Amounts due to associates	189,829	214,528
– Amounts due to fellow subsidiaries	345,754	347,298
– Amounts due to intermediate parents	481	141,417
– Amounts due to third parties	410,248	460,110
	<u>946,312</u>	<u>1,163,353</u>
Interest payables:		
– Amount due to an associate	62,759	54,993
– Amount due to an intermediate parent	314,362	149,888
– Amount due to a fellow subsidiary	380	380
– Amounts due to non-controlling interests	251,019	214,571
– Amounts due to third parties	21,729	5,713
	<u>650,249</u>	<u>425,545</u>
Financial liabilities measured at amortised cost	2,483,708	2,591,044
Deposits	227,173	2,246,949
	<u>2,710,881</u>	<u>4,837,993</u>

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 13 TRADE AND OTHER PAYABLES (CONTINUED)

As at 30 June 2024, the ageing analysis of trade creditors payables, based on the invoice date, are as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	858,554	910,993
1 to 2 years	9,447	88,863
2 to 3 years	16,904	29
Over 3 years	2,242	2,261
	<u>887,147</u>	<u>1,002,146</u>

## 14 CAPITAL, RESERVES AND DIVIDENDS

### Dividends

No dividend was approved and paid to equity shareholders of the Company during the interim period attributable to the previous financial year (six months ended 30 June 2023: nil).

## 15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period 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 is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial assets and liabilities measured at fair value (continued)

#### (i) Fair value hierarchy (continued)

The Group has an investment team performing valuations for the unlisted equity securities. A valuation report with analysis of changes in fair value measurement is prepared by the team at the interim reporting date, and is reviewed and approved by the management. Discussion of the valuation process and results with the management and the Audit Committee is held twice a year, to coincide with the reporting dates.

	Fair value at 30 June 2024 RMB'000	Fair value measurements as at 30 June 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Other financial assets:				
– Unlisted equity securities	330,535	–	–	330,535
	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Other financial assets:				
– Unlisted equity securities	368,958	–	–	368,958

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2023: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial assets and liabilities measured at fair value (continued)

#### (ii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Rate
Unlisted equity instruments	Market comparable companies	Discount for lack of marketability	12% – 47% (2023: 12% – 47%)

The fair value of unlisted equity instruments is determined using the price/earning ratios and price/book value ratio of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's profit by RMB1,835,000 (six months ended 30 June 2023: RMB2,164,000).

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	At 30 June 2024 RMB'000	At 30 June 2023 RMB'000
<b>Unlisted equity securities:</b>		
At 1 January	368,958	353,098
Disposal	(6,085)	(1,979)
Changes in fair value recognised in profit or loss	(32,338)	—
At 30 June	330,535	351,119

### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not significantly different from their fair values as at 31 December 2023 and 30 June 2024.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 16 COMMITMENTS

Capital commitments outstanding at 30 June 2024 not provided for in the interim financial report are as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Contracted for:		
Inventories	3,180,994	3,373,402
Investment in an associate and joint ventures	783,475	783,475
	<u>3,964,469</u>	<u>4,156,877</u>

## 17 CONTINGENT LIABILITIES

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of the property units. Pursuant to the mortgage agreements signed between the Group and the banks, the guarantee will be released upon the issuance of the individual property ownership certificate. Should the mortgagors fail to pay the mortgage monthly installment before the issuance of the individual property ownership certificate; the banks can draw down the security deposits up to the amount of outstanding mortgage installments and demand the Group to repay the outstanding balance to the extent that the deposit balance is insufficient.

The management does not consider it probable that the Group will sustain a loss under these guarantees as the banks have the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property buyers default payment. The management also considers that the market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group. No liabilities therefore is recognised in respect of these guarantees.

As at 30 June 2024, guarantees given to financial institutions for mortgages facilities granted to buyers of the Group's properties amounts to RMB878,012,000 (31 December 2023: RMB559,369,000).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 18 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in the interim financial report, major related party transactions entered by the Group during the six months ended 30 June 2024 are as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Purchase of goods and services	5,007	8,876
Rental expense	–	908
Interest expense	172,688	12,241
Interest expense to non-controlling interests	36,448	36,248
Interest income	–	51
New borrowings	741,645	586,665
Repayment of loans	320,580	30,000

### (b) Key management personnel remuneration

Remuneration for key management personnel, including amount paid to the Group's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Short-term employee benefits	1,037	1,104
Post-employment benefits	185	193
	1,222	1,297

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi)

## 18 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party loans

Related party loans are analysed as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current		
– Loan from an associate	421,400	421,400
– Loans from non-controlling interests	1,489,600	1,489,600
	<u>1,911,000</u>	<u>1,911,000</u>
Non-current		
– Loan from intermediate parents	6,704,085	6,241,988
	<u>8,615,085</u>	<u>8,152,988</u>

## 19 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

### Disposal of interest in OCT Shanghai Land

On 29 July 2024, Great Tec Investment Limited, an indirect wholly-owned subsidiary of the Company, entered into the conditional Equity Transfer Agreement with respect to the sale of its entire equity interests in Overseas Chinese Town (Shanghai) Land Company Limited (OCT Shanghai Land) (representing approximately 50.5% of the total equity interest in OCT Shanghai Land) to Shanghai Highpower OCT Investment Co., Ltd. (a fellow subsidiary in Shenzhen Overseas Chinese Town Corporation) for a consideration of RMB2,055,399,000 in cash. Please refer to the announcements of the Company dated 29 July 2024 and 3 September 2024.