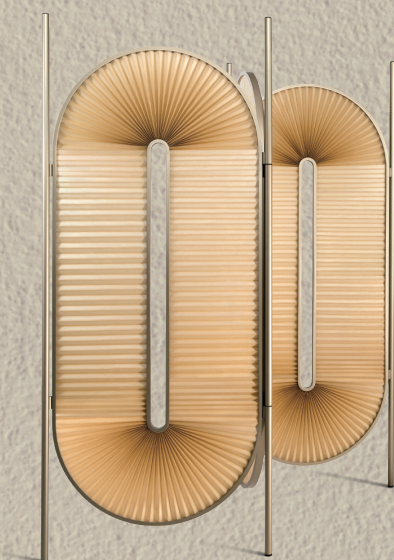




紅星美凱龍家居集團股份有限公司
Red Star Macalline Group Corporation Ltd.

(A SINO-FOREIGN JOINT STOCK COMPANY INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY)

STOCK CODE: 1528



2024
INTERIM REPORT



The background of the entire page is a light teal color with a subtle, embossed texture. It features large, overlapping circular shapes and delicate, dark teal leaf patterns that branch out from the left and right sides, creating a natural, organic feel.

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Corporate Information

BOARD OF DIRECTORS

As at the date of this report, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company comprises the following Directors:

Executive Directors

Mr. CHE Jianxing
Mr. SHI Yaofeng
Mr. LI Jianhong
Mr. YANG Yingwu

Non-executive Directors

Mr. ZHENG Yongda (*Chairman*)
Mr. WANG Wenhui
Mr. ZOU Shaorong
Mr. SONG Guangbin
Ms. XU Di

Independent Non-executive Directors

Mr. XUE Wei
Mr. HUANG Jianzhong
Mr. CHEN Shanang
Mr. WONG Chi Wai
Mr. CAI Qinghui

SUPERVISORS

Mr. CHEN Jiasheng (*Chairman*)
Ms. MA Chenguang
Mr. TANG Rongzhen
Mr. WANG Shouyi

AUDIT COMMITTEE

Mr. XUE Wei (*Chairman*)
Mr. HUANG Jianzhong
Mr. ZOU Shaorong

REMUNERATION AND EVALUATION COMMITTEE

Mr. HUANG Jianzhong (*Chairman*)
Mr. WONG Chi Wai
Mr. ZHENG Yongda

NOMINATION COMMITTEE

Mr. CHEN Shanang (*Chairman*)
Mr. CAI Qinghui
Mr. HUANG Jianzhong
Mr. ZHENG Yongda
Mr. CHE Jianxing

STRATEGY AND INVESTMENT COMMITTEE

Mr. ZHENG Yongda (*Chairman*)
Mr. WANG Wenhui
Mr. ZOU Shaorong
Mr. CHE Jianxing
Mr. SHI Yaofeng
Mr. LI Jianhong
Mr. HUANG Jianzhong

JOINT COMPANY SECRETARIES

Ms. QIU Zhe
Ms. NG Sau Mei

AUTHORIZED REPRESENTATIVES

Mr. CHE Jianxing
Ms. QIU Zhe

REGISTERED OFFICE

Suite F801, 6/F
No. 518, Linyu Road
Pudong New District
Shanghai
The PRC

HEADQUARTERS IN THE PRC

Red Star Macalline Headquarter
No. 2/5, Lane 1466, Shenchang Road
Minhang District
Shanghai
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower 2
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

LEGAL ADVISORS

As at the date of this report, the legal advisors of the Company are set out below:

As to Hong Kong and the United States law

Linklaters
11/F, Alexandra House
Chater Road
Central
Hong Kong

As to the PRC law

King & Wood Mallesons
17th Floor, One ICC
999 Middle Huai Hai Road
Xuhui District
Shanghai
The PRC

AUDITOR

RSM China
901-22 to 901-26, Waijingmao Mansion
No. 22 Fuwaida Street
Xicheng District
Beijing
China

CL Partners CPA Limited
3203A-5, Tower 2, Lippo Centre
89 Queensway
Central
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China

Shanghai Branch Banking Department
No. 24 Zhongshan Dongyi Road
Shanghai
The PRC

China Minsheng Bank Corp., Ltd.

Shanghai Xuhui Branch
No. 1033 Zhaojiabang Road, Xujiahui
Shanghai
The PRC

Bank of Communications

Shanghai Putuo Branch
No. 2000 Zhongshan North Road
Shanghai
The PRC

STOCK CODES

Hong Kong Stock Exchange: 1528
Shanghai Stock Exchange: 601828

COMPANY'S WEBSITE

www.chinaredstar.com

Financial and Operational Highlights

FINANCIAL HIGHLIGHTS

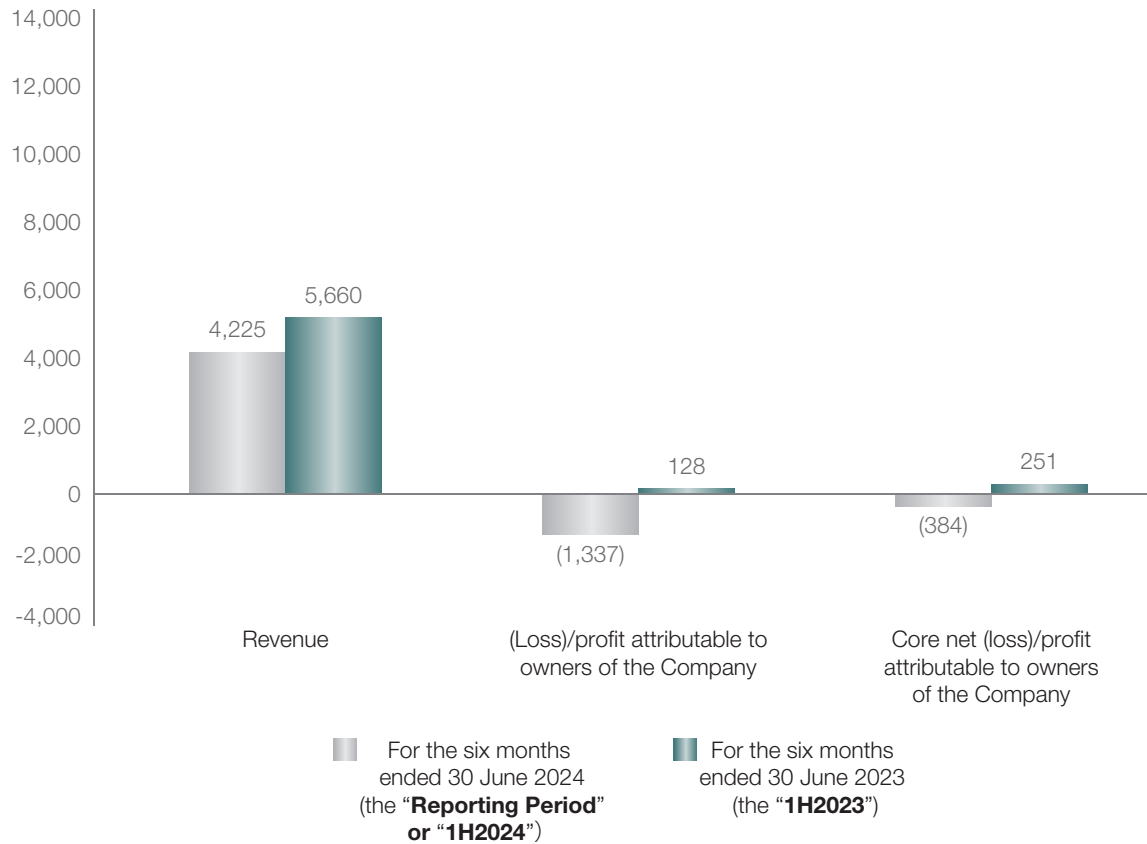
	Six months ended 30 June	
	2024	2023
	<i>(RMB'000, except otherwise stated)</i>	
	(Unaudited)	(Unaudited)
Revenue	4,224,862	5,659,926
Gross profit	2,797,379	3,622,346
Gross profit margin	66.2%	64.0%
(Loss)/profit for the period	(1,423,256)	113,449
(Loss)/profit attributable to owners of the Company	(1,336,774)	128,196
(Loss)/profits margin attributable to owners of the Company	-31.6%	2.3%
Core net (loss)/profit attributable to owners of the Company ⁽²⁾	(383,784)	251,260
Core net (loss)/profit margin attributable to owners of the Company ⁽³⁾	-9.1%	4.4%
(Loss)/earnings per share (Basic and diluted)	RMB(0.31)	RMB0.03

- Notes:**
- (1) In the event of any inconsistency between the Chinese version and the English version of this Report, the Chinese version shall prevail.
 - (2) Core net (loss)/profit attributable to owners of the Company represents the (loss)/profits attributable to owners of the Company after deducting the after-tax effects of changes in fair values of investment properties, other income, other gains and losses and other expenses etc., which are not related to daily operating activities.
 - (3) Core net (loss)/profit margin attributable to owners of the Company represents the ratio of core net (loss)/ profits attributable to owners of the Company divided by revenue.

Financial and Operational Highlights

Key Financial Performance Indicators

RMB in million



Financial and Operational Highlights

OPERATIONAL HIGHLIGHTS

The following table sets forth certain operating statistics of Portfolio Shopping Malls⁽¹⁾ and Managed Shopping Malls⁽¹⁾ in operation as at the dates indicated:

	As at 30 June 2024	As at 31 December 2023
Number of shopping malls	352	362
Operating area of shopping malls (<i>sq.m.</i>)	21,201,448	21,724,717
Number of cities covered	210	215
Number of Portfolio Shopping Malls	85	87
Operating area of Portfolio Shopping Malls (<i>sq.m.</i>)	7,885,050	7,984,656
Average occupancy rate of Portfolio Shopping Malls	81.6%	82.8%
Number of Managed Shopping Malls	267	275
Operating area of Managed Shopping Malls (<i>sq.m.</i>)	13,316,398	13,740,061
Average occupancy rate of Managed Shopping Malls	82.8%	85.7%

Note: (1) See definitions in the 2023 annual report of the Company.

Management Discussion and Analysis

I. INDUSTRY REVIEW

According to relevant data from the National Bureau of Statistics of China, in the first half of 2024, China's GDP increased by 5.0% year-on-year, with overall stable in economic operation. The sustained economic recovery has ensured steady growth in the income of urban and rural residents, with per capita disposable income of all residents increasing by 5.4% in nominal terms over the same period of the previous year, and 5.3% increasing in real terms after deducting price factors impact. In the first half of 2024, the per capita consumption expenditure of all residents increased by 6.8% in nominal terms over the same period of the previous year, and 6.7% increasing in real terms after deducting price factors. Residents' consumer expenditure continued to recover and growth continues to outpace income. In the first half of 2024, the nominal and actual growth rates of per capita consumer expenditure of residents were both 1.4 percentage points faster than the growth rate of per capita disposable income.

In the first half of 2024, total retail sales of social consumer goods (the “**total retail sales**”) increased by 3.7% year-on-year. Among the total retail sales, the retail sales of goods increased by 3.2% year-on-year, with furniture increased by 2.6% year-on-year, household electrical and audio-visual appliances increased by 3.1% year-on-year, and building and decoration materials fell by 1.2% year-on-year. In the first half of 2024, as various regions and departments solidly advanced the implementation of policies to expand domestic demand and promote consumption, the size of the consumer market continued to grow.

Real estate has an important impact on the national economy, and although it is currently in the adjustment stage of adjustment and transformation, there is a relatively good foundation for the long-term healthy development of the real estate market. First, China is still in the stage of sustained urbanization development, and there is still room for improvement in the urbanization rate in China compared to the world's developed economies; Second, the new mode of real estate development is being actively constructed, among which, the construction of subsidized housing, the construction of public infrastructure for “dual use in normal and emergency situations”, and the transformation of urban villages are all being actively promoted. With the strong and orderly progress of these projects, it will be conducive to solving the urgent and difficult problems of the people in housing and living, and will also drive real estate-related investment and consumption and promote the healthy development of the real estate market.

In the long run, factors such as the growth of residents' income level, the continuous increase in quality demand, the popularity of the concept of green environmental protection, the continuous promotion of urbanization, the accelerated establishment of a new and healthy real estate market, and the continuous growth in demand for renovation of existing housing will all bring sustained and stable development to the home decoration and furniture industry. The Company will give full play to the advantages as a leading enterprise and actively seize the development opportunities in the industry.

II. FINANCIAL REVIEW

The key financial performance indicators of the Group can generally be categorised into revenue, profit attributable to owners of the Company and core net profit attributable to owners of the Company. These indicators provide a measurement of our performance against the key drivers of the Group. For details of the financial performance indicators, please refer to “Revenue” and “Total (loss)/profit for the period attributable to owners of the Company, core net (loss)/profit attributable to owners of the Company and (loss)/earnings per share” on page 8 and page 11, respectively.

1. Revenue

During the Reporting Period, the Group’s revenue amounted to RMB4,224.9 million, representing a decrease of 25.4% from RMB5,659.9 million for the same period in 2023. During the Reporting Period, the rental and related income of our Portfolio Shopping Malls decreased by 14.0%, which was mainly due to (i) the periodic decline in the occupancy rate of the Group’s Portfolio Shopping Malls affected by the fluctuations in the overall economic environment; and (ii) the increase in the number of the preferential treatments provided by the Company for stabilizing and retaining tenants in order to support the continued operation of the tenants. The revenue from our Managed Shopping Malls decreased by 23.2% during the Reporting Period, mainly due to the decrease in the number of Managed Shopping Malls and the slowdown in the progress of managed projects. Meanwhile, due to the overall economic fluctuations, the revenue from construction and design, sales of merchandise and home decoration and other revenue have declined by different degrees as compared to the same period in 2023.

The following table sets forth our revenue by segments:

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	RMB'000	%	RMB'000	%
Owned/Leased Portfolio Shopping Malls	2,903,166	68.7	3,376,869	59.7
Managed Shopping Malls	827,466	19.6	1,076,901	19.0
Construction and design	167,414	4.0	531,535	9.4
Related home decoration and sales of merchandise	61,152	1.4	220,719	3.9
Others	265,664	6.3	453,902	8.0
Total	4,224,862	100.0	5,659,926	100.0

II. FINANCIAL REVIEW (continued)

2. Cost of sales and services

The cost of sales and services of the Group mainly included the cost of operation and management of Owned/Leased Portfolio Shopping Malls, the cost of project consulting and management service, the cost of construction and design, the cost of related home decoration and sales of merchandise. The cost of sales and services of the Group amounted to RMB1,427.5 million, representing a decrease of 29.9% from RMB2,037.6 million for the same period in 2023, mainly due to the decrease in the corresponding cost resulted from the decline in the scale of business related to Managed Shopping Malls, construction and design and related home decoration and sales of merchandise.

The following table sets forth our cost of sales and services by segments:

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	RMB'000	%	RMB'000	%
Owned/Leased Portfolio Shopping Malls	641,727	45.0	689,868	33.9
Managed Shopping Malls	492,072	34.5	583,162	28.6
Construction and design	150,496	10.5	445,467	21.9
Related home decoration and sales of merchandise	37,116	2.6	191,063	9.4
Others	106,072	7.4	128,020	6.2
Total	1,427,483	100.0	2,037,580	100.0

II. FINANCIAL REVIEW (continued)

3. Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit was RMB2,797.4 million, representing a decrease of 22.8% from RMB3,622.3 million in the same period in 2023; the Group's integrated gross profit margin was 66.2%, representing an increase of 2.2 percentage points from 64.0% in the same period in 2023, primarily due to the increase in the gross profit of related home decoration and sales of merchandise during the Reporting Period.

The following table sets forth our gross profit margin by business segments:

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Owned/Leased Portfolio Shopping Malls	77.9%	79.6%
Managed Shopping Malls	40.5%	45.8%
Construction and design	10.1%	16.2%
Related home decoration and sales of merchandise	39.3%	13.4%
Others	60.1%	71.8%
Total	66.2%	64.0%

4. Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to RMB463.2 million (accounting for 11.0% of the revenue), representing a decrease of 23.6% from RMB606.2 million (accounting for 10.7% of the revenue) for the same period in 2023, which was primarily due to the decrease in advertising and promotional expenses, energy and maintenance expenses and staff cost in the 1H2024.

5. Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB700.4 million (accounting for 16.6% of the revenue), representing a decrease of 22.7% from RMB905.8 million (accounting for 16.0% of the revenue) in the same period in 2023, which was primarily due to the decrease in staff cost and office expenses in the 1H2024.

II. FINANCIAL REVIEW (continued)

6. Finance cost

During the Reporting Period, the Group's finance cost amounted to RMB1,300.5 million, representing an increase of 3.4% from RMB1,258.0 million in the same period in 2023. The finance cost for the current period was basically the same as the corresponding period in 2023.

7. Income tax credit/(expenses)

During the Reporting Period, the income tax credit of the Group amounted to RMB113.2 million, representing a decrease of 164.8% from income tax expenses RMB174.8 million in the same period in 2023, which was mainly due to losses incurred during the Reporting Period.

8. Total (loss)/profit for the period attributable to owners of the Company, core net (loss)/profit attributable to owners of the Company and (loss)/earnings per share

During the Reporting Period, total loss for the period attributable to owners of the Company amounted to RMB1,336.8 million, representing a decrease of 1,142.8% from the total profit for the period attributable to owners of the Company of RMB128.1 million in the same period in 2023; the core net loss attributable to owners of the Company amounted to RMB383.8 million, representing a decrease of 252.7% from the core net profit attributable to owners of the Company amounted to RMB251.3 million in the same period in 2023.

	For the six months ended 30 June		
	2024	2023	Increase/Decrease
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Total (loss)/profit for the period attributable to owners of the Company	(1,336,774)	128,196	-1,142.8%
(Loss)/profit margin for the period attributable to owners of the Company	-31.6%	2.3%	a decrease of 33.9 percentage points
Core net (loss)/profit attributable to owners of the Company	(383,784)	251,260	-252.7%
Core net (loss)/profit margin attributable to owners of the Company	-9.1%	4.4%	a decrease of 13.5 percentage points

During the Reporting Period, the Group's loss per share was RMB0.31, as compared to earnings per share of RMB0.03 in the same period of 2023.

II. FINANCIAL REVIEW (continued)

9. Accounts receivable

As of the end of the Reporting Period, the book value of accounts receivable of the Group amounted to RMB1,138.5 million (including the balance of accounts receivable of RMB2,626.4 million and the bad debt allowance of RMB1,487.9 million), representing a decrease of RMB64.8 million from RMB1,203.3 million as at the end of 2023.

10. Investment properties and loss on fair value changes

As of the end of the Reporting Period, the book value of the Group's investment properties amounted to RMB97,305.2 million, representing a decrease of RMB1,175.0 million from RMB98,480.2 million as at the end of 2023. During the Reporting Period, the investment properties of the Group realized a loss on fair value changes of RMB1,177.5 million. This was mainly due to the increase in the Group's business stabilisation and retention incentives against the backdrop of the fluctuating general economic environment.

11. Capital expenditure

During the Reporting Period, the Group's capital expenditure amounted to RMB194.9 million (the same period in 2023: RMB255.8 million), which mainly included purchase expenditure of investment properties and construction development expenditure. The expenditure in 2024 decreased by 23.8% as compared with the same period in 2023, mainly because the Group has deepened its business strategy of "focusing on asset-light, heavy operation, and lowering leverage", effectively controlling capital expenditures.

II. FINANCIAL REVIEW (continued)

12. Bank Balances and Cash and Cash Flow

As of the end of the Reporting Period, the cash and bank balances of the Group amounted to RMB2,380.3 million (of which, the balance of cash and cash equivalents amounted to RMB2,353.2 million), representing a decrease of RMB149.5 million from RMB2,529.8 million (of which, the balance of cash and cash equivalents amounted to RMB2,506.8 million) as at the end of 2023 (of which, the balance of cash and cash equivalents representing a decrease of RMB153.6 million).

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash flow (used in)/generated from operating activities	(821,266)	2,068,238
Net cash flow (used in)/generated from investment activities	(113,067)	734,465
Net cash flow generated from/(used in) financing activities	780,991	(2,913,174)
Impact of exchange rate changes on cash and cash equivalents	(218)	627
Net decrease in cash and cash equivalents	(153,560)	(109,844)

During the Reporting Period, the Group's net cash outflow from operating activities amounted to RMB821.3 million, representing a decrease in net inflow of RMB2,889.5 million from a net cash inflow of RMB2,068.2 million in the same period of 2023, mainly due to the decrease in operating cash inflow in all business segments under the impact of fluctuations in the general economic environment, the periodic decline in shopping mall occupancy rates and the increase in business stabilisation and retention incentives during the Reporting Period.

During the Reporting Period, the Group's net cash outflow from investment activities amounted to RMB113.1 million, representing a decrease in net inflow of RMB847.6 million from a net cash inflow of RMB734.5 million in the same period of 2023. It was primarily due to the decrease in cash received from investments in the current period as compared with the same period of the previous year, and the redemption of financial products in the same period of the previous year.

During the Reporting Period, the Group's net cash inflow from financing activities amounted to RMB781.0 million, representing an increase in net inflow of RMB3,694.2 million from a net cash outflow of RMB2,913.2 million in the same period of 2023, mainly due to the increase in net cash inflow for acquisition and repayment of debts during the Reporting Period as compared to the same period of the previous year.

II. FINANCIAL REVIEW (continued)

13. Debt Profile and Debt Ratio

As of the end of the Reporting Period, the total amount of debt of the Group was RMB31,346.4 million, of which banks and other borrowings were RMB29,574.0 million, and bonds were RMB1,772.4 million.

The following table sets out our debt profile:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank and other borrowings:		
Secured	23,078,870	26,074,003
Unsecured	1,067,031	3,431,749
Commercial mortgage-backed securities	5,428,056	3,184,527
Total	29,573,957	32,690,279
Fixed-rate borrowings	15,498,175	16,269,128
Floating-rate borrowings	14,075,782	16,421,151
Total	29,573,957	32,690,279
The borrowings are repayable:		
Within one year or on demand	9,782,460	12,976,625
More than one year but not exceeding two years	2,737,898	3,898,734
More than two years but not exceeding five years	11,927,484	9,015,530
More than five years	5,126,115	6,799,390
Total	29,573,957	32,690,279

II. FINANCIAL REVIEW (continued)

13. Debt Profile and Debt Ratio (continued)

	As at 30 June 2024 % (Unaudited)	As at 31 December 2023 % (Audited)
Actual interest rate range:		
Fixed-rate bank borrowings	3.00-15.40	3.80-15.40
Floating-rate bank borrowings	3.88-8.00	4.25-8.00

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
USD Bonds:		
USD Bonds of 2022 (3-year)	1,772,438	1,758,512
Total	1,772,438	1,758,512

Among the total debts of the Group, the portion repayable within one year or on demand amounted to RMB9,782.5 million, the portion repayable over one year but less than two years amounted to RMB4,510.3 million, the portion repayable over two years but less than five years amounted to RMB11,927.5 million and the portion repayable over five years amounted to RMB5,126.1 million. The Group will promptly repay the above debts at the time of maturity.

II. FINANCIAL REVIEW (continued)

13. Debt Profile and Debt Ratio (continued)

The following table sets out our major debt ratios:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Asset-liability ratio ⁽¹⁾	55.8%	55.6%
Net gearing ratio ⁽²⁾	59.4%	64.7%

	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Interest expenses coverage ratio ⁽³⁾	0.98	1.42

Notes:

- (1) Asset-liability ratio is calculated as the total liabilities divided by total assets as at the end of each period.
- (2) Net gearing ratio means interest-bearing liabilities (including short-term borrowings, long-term borrowings, bond payables, financial lease payables, and commercial mortgage-backed securities payables) less cash and bank balances and then divided by the total equity at the end of each period.
- (3) Interest expense coverage ratio is our adjusted EBITDA divided by our interest expenses before capitalization for each period. Adjusted EBITDA represents profit before tax, adding back finance costs, depreciation, amortisation and impairment, further adjusted to exclude loss on fair value changes, share of results of associates, share of results of joint ventures, other gains and losses, other expenses and other income.

II. FINANCIAL REVIEW (continued)

14. Collateralized and pledged assets

As of the end of the Reporting Period, the Group had collateralized/pledged investment properties, fixed assets with a total book value of RMB85,292.4 million, and other equity instrument investments, interests in joint ventures and restricted cash and bank balances with a total book balance of RMB723.9 million for obtaining loans, the balance of such loans is RMB30,963.9 million; the Group holds restricted cash and bank balance of RMB305.9 million for deposit reserve placed with the central bank, etc.

15. Contingent liabilities

There is no contingent liability at the end of the Reporting Period.

16. Financial resources

In the future, the main sources of capital of the Group will be from cash generated from our operating activities, bank borrowings, issuance of bonds and share capital contributions from shareholders. To ensure that the capital of the Group is effectively utilized, the Group will continue to regularly monitor its liquidity needs, comply with its financing agreements and maintain sufficient cash reserves and appropriate credit limits so as to meet its liquidity demand.

17. Material acquisitions and disposals of subsidiary, associates and joint ventures

There is no material acquisitions and disposals of subsidiary, associates and joint ventures during the Reporting Period.

18. Capital commitment

As of the end of the Reporting Period, the amount of capital expenditure in respect of the acquisition and development of investment properties which the Group has contracted for but not recognized in the financial statements was RMB738.8 million. In addition, the Group has entered into agreements with its partners, pursuant to which the Group's commitment to contributing funds for development of investment properties jointly with the partners amounted to RMB308.7 million.

II. FINANCIAL REVIEW (continued)

19. Foreign exchange risk

As at the end of the Reporting Period, financial assets and liabilities denominated in currencies other than the functional currency of the Group mainly included USD-denominated note, and certain deposits denominated in other currencies. To manage these additional foreign exchange risk exposures, the management of the Group has actively adopted relevant risk control measures, including selecting appropriate forward contracts and currency swaps and other foreign debt hedging instruments, enhancing internal control awareness and strategies, increasing discussion with international banks and closely monitoring and anticipating trends of foreign exchange market, in order to be prepared to hedge our risk in a timely manner. We believe that foreign exchange risks related to such assets and liabilities denominated in other currencies will not have material impacts on operating results of the Group.

20. Significant investment

During the Reporting Period, the Group did not have any significant investment. As of the date of this report, the Group does not have any plan for material investments.

21. Human resources

As of the end of the Reporting Period, the Group had 13,145 employees (the same period in 2023: 15,977 employees). The Group entered into labor contracts with employees according to the Labor Law of the People's Republic of China and the relevant provisions of the employee's locality. The Group will determine the employees' basic wage and bonus level according to the employees' performance, work experience and the market wage standard, and shall pay social insurance and housing provident fund for the employees. During the Reporting Period, the Group paid a total of RMB1,116.6 million for salary expenditure (the same period in 2023: RMB1,354.4 million). Meanwhile, the Group also kept investing resources to provide various education and training opportunities for its employees, aiming to standardize the management work and improve the operation performance, and continuously improved the knowledge and technical competence as well as professional practice competence of the employees.

II. FINANCIAL REVIEW (continued)

22. A Share Employee Stock Ownership Plan

In order to establish and improve the benefit-sharing mechanism between employees and the Shareholders to further improve the corporate governance of the Company, enhance the cohesion of employees and corporate competitiveness, and promote the Company's long-term, sustainable and healthy development, and in order to help enhance the employees' sense of responsibility towards the Company effectively, attract and retain outstanding management talents and core calibers, thus further enhancing employees' cohesion and the vitality of the Company, the Company formulated the Third Phase of the Employee Stock Ownership Plan of Red Star Macalline Group Corporation Ltd. (the "**Employee Stock Ownership Plan**") in accordance with the relevant laws and regulations and the Articles of Association. The relevant resolutions of the Employee Stock Ownership Plan have been approved by the Board and the general meeting of the Company by resolutions on 6 February 2021 and 19 March 2021, respectively.

The Employee Stock Ownership Plan does not involve granting the Company the option to issue new shares or any other new securities. The participants of the Employee Stock Ownership Plan are Directors, Supervisors, senior management of the Company and management and core personnel of its subsidiaries, the total number of which shall not be more than 800.

The source of the funds for the Employee Stock Ownership Plan includes only the participant's self-raised funds. The Company did not invest any fund in the Employee Stock Ownership Plan. The funds raised by the Employee Stock Ownership Plan shall not exceed RMB300 million in total, divided into "units" for subscription and each unit is equal to RMB1.00. The total number of Shares of the Company held by any Holder according to the number of units he/she subscribed for in the plan shall not exceed 0.1% of the total share capital of the Company.

II. FINANCIAL REVIEW (continued)

22. A Share Employee Stock Ownership Plan (continued)

The Employee Stock Ownership Plan will be managed by an appointed professional agency with asset management qualifications through the establishment of the Directional Plan. The source of shares of the Employee Stock Ownership Plan is the shares of the Company obtained and held through purchases on the secondary market or other means as permitted under the laws and regulations within six months after consideration and approval on the Employee Stock Ownership Plan at the general meeting. As of 13 May 2021, all purchases of stocks had been completed under the Employee Stock Ownership Plan, among which, 15,780,000 shares of the Company had been bought through “Shaanxi International Investment – Macalline Phase III Employee Shareholding Single Fund Trust Plan” (hereinafter referred to as the “**Trust Plan**”), accounting for approximately 0.36% of the Company’s total share capital as at the date of this report, with an average transaction price of approximately RMB9.50 per share and a total transaction amount of RMB149.943 million.

The lock-up period of the Employee Stock Ownership Plan shall be 12 months, commencing from the date when the Company announces the registration of the last tranche of the Underlying Shares under the Trust Scheme, i.e. 13 May 2021 to 12 May 2022. As at 12 May 2022, the lock-up period already expired. The Management Committee will, within 12 months after the expiry of the lock-up period, be entitled to authorize the Asset Management Agency to sell or transfer the purchased Shares of the Company in accordance with the arrangements of the Employee Stock Ownership Plan and the prevailing market conditions.

II. FINANCIAL REVIEW (continued)

22. A Share Employee Stock Ownership Plan (continued)

Having been approved by the second Employee Stock Ownership Plan holders' meeting and the Board, the term of the Employee Stock Ownership Plan was extended to 28 January 2024 and the Management Committee was authorized to determine, at its discretion, matters in relation to the temporary extension of the term of the Employee Stock Ownership Plan and the disposal of equities, if not all the shares held under the Employee Stock Ownership Plan can be sold before the expiry of the term due to objective reasons or special circumstances, and the Management Committee shall continue to promote the sale and disposal of shares held under the Employee Stock Ownership Plan as soon as the above impact disappears. Having been approved by the third Employee Stock Ownership Plan holders' meeting, the fourth Employee Stock Ownership Plan holders' meeting and the Board, the term of the Employee Stock Ownership Plan was extended to 26 September 2025.

Given that some holders of the Employee Stock Ownership Plan have indicated to the Employee Stock Ownership Plan Management Committee ("**Management Committee**") their intention not to continue to hold the units under the Employee Stock Ownership Plan during the extended term of the Employee Stock Ownership Plan and have issued in writing the confirmation letter of disposal of the units under the third phase of the Employee Stock Ownership Plan of Red Star Macalline Group Corporation Ltd. in advance during the extended term, after the expiration of the lock-up period of the Employee Stock Ownership Plan, the Management Committee, in order to exercise its rights to manage the distribution of benefits under the Employee Stock Ownership Plan and to decide on the disposal and distribution of the Underlying Shares, had entrusted Shaanxi International Trust Co., Ltd. to dispose a total of 6,162,100 A Shares of the Company held through the Trust Plan, during the period between 8 May 2023 to 29 December 2023. As of 30 June 2024, the Employee Stock Ownership Plan held a total of 9,617,900 A Shares of the Company.

III. BUSINESS REVIEW

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment

The following map sets forth the geographical distribution of our shopping malls as at the end of the Reporting Period:



Note: Geographically, Northeast China includes Heilongjiang Province, Jilin Province, Liaoning Province; North China (excluding Beijing and Tianjin) includes Shanxi Province, Hebei Province, Inner Mongolia Autonomous Region; East China (excluding Shanghai) includes Shandong Province, Jiangsu Province, Zhejiang Province, Anhui Province, Jiangxi Province, Fujian Province; Central China includes Hunan Province, Hubei Province, Henan Province; South China includes Hainan Province, Guangdong Province, Guangxi Zhuang Autonomous Region; West China (excluding Chongqing) includes Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, Yunnan Province, Sichuan Province, Guizhou Province, Tibet Autonomous Region

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

Color	Region	Portfolio Shopping Malls		Managed Shopping Malls	
		Number of shopping malls	Sub-total Operating Area (sq.m.)	Number of shopping malls	Sub-total Operating Area (sq.m.)
	Beijing	4	347,618	1	112,091
	Shanghai	7	905,434	1	11,799
	Tianjin	4	473,209	3	177,316
	Chongqing	5	391,936	8	264,379
	Northeast China	10	1,089,905	13	677,124
	North China	9	549,751	33	1,579,388
	East China	26	2,409,531	118	6,237,043
	Central China	5	644,753	32	1,583,379
	South China	5	263,879	9	460,957
	West China	10	809,034	49	2,212,922
	Total	85	7,885,050	267	13,316,398

As the domestic economic environment continued to fluctuate in the 1H2024, the home furnishings and building materials industry faced the dual pressure of demand contraction and supply shock. The sluggish demand in the home furnishings retail market was further exacerbated by the shrinkage of the real estate industry. Despite the implementation of multiple favorable policies in the real estate and home furnishing industry along with the gradual recovery of consumption demand, the residents' consumption level and confidence have not yet fully recovered, and the economic situation was still confronted with numerous challenges. As at the end of the Reporting Period, the Company operated 85 Portfolio Shopping Malls, 267 Managed Shopping Malls, 7 strategically co-operated shopping malls and 49 franchised home improvement material projects, including a total of 439 home improvement material stores/industry streets, which covered 210 cities in 30 provinces, municipalities directly under the central government or autonomous regions nationwide, with a total operating area of shopping malls of 21,201,448 sq.m.

In terms of occupancy rates, the average occupancy rate of Portfolio Shopping Malls was 81.6% and the average occupancy rate of Managed Shopping Malls was 82.8%. In addition, among the pipeline Managed Shopping Malls, the Company has obtained land use rights/land parcels for 287 contractual projects.

During the Reporting Period, the Company actively responded to market changes and adjusted its business strategies.

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

1. Releasing the “3+ Star Ecosystem” strategy, restarting the “new three-year plan” for high-end electrical appliances, and building a new three-in-one ecosystem

The Company focuses on the concept of “home” and extends its offerings from home furnishings to home appliances and home improvements, the three of which complement each other to jointly create the value of products, services and scenarios together. Entering the new three years of development of high-end electrical appliances, the Company will upgrade the operation of high-end electrical appliance categories in five aspects, including scale expansion, category expansion, store upgrade, operational upgrades and marketing upgrade, so as to strengthen users’ mindset of regarding Red Star Macalline as the “best channel” for choosing high-end electrical appliances, and achieve the “largest, widest, biggest and most complete targets”, i.e. the largest sales scale of high-end electrical appliances, the widest layout of brand flagship stores, the biggest area of category brands, and the most complete aggregation of high-end brands.

The China High-end Electrical Appliances Industry Ecosystem Summit and the Red Star Macalline “3+ Star Ecosystem” Strategy Launch Conference was held in Xiamen. At the conference, the Company reached a “new three-year” joint operation cooperation agreement for electrical appliances with eight major brands, including Haier Smart Home, Midea, Hisense, FOTILE, ROBAM, BSH Home Appliances, Entive and Angel, so as to jointly tap into the incremental opportunities of the existing markets through measures like trade-in and designer operation. The Company has signed agreements with the representatives of six high-end lifestyle appliances, including TINECO, ECOVACS, Morphy Richards, Dreame, Panasonic and Tiger, so as to jointly build high-end lifestyle appliance pavilions, and thus accelerate the full integration of home appliances, home furnishings and home improvements, and promoted the refined operation of smart electrical appliance lifestyle pavilions.

In the first half of the year 2024, the high-end lifestyle appliances pavilion Fashion Appliances Store (Chaodianhui) was officially opened at Red Star Macalline Zhengzhou Zhongyuan Global Home Furnishings No. 1 Store. In the next two years, the Company will lay out 100 high-end lifestyle appliances pavilions nationwide, which will gather categories such as small kitchen home appliances, cleaning electrical appliances, personal care products, coffee and leisure, children’s entertainment products, etc. This will complement the existing large electrical appliances, and further enable consumers to achieve the real one-stop purchase of all home appliances.

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

2. Launching the second batch of M+ High-End Design Centers to create a new ecosystem of high-end home decoration design

M+ High-End Home Improvement Design Center is positioned as the hyperlinker of category products, the first entrance of high-quality home decoration traffic, and a designer of a better life. It strengthens the delivery capability of personalized home decoration for consumers by integrating the design proposal capabilities. M+ High-End Home Improvement Design Center will provide design studios with great support in terms of preferential and long-term rental and free home decoration periods through six actions of exclusive investment promotion policies, supply chain empowerment, platform eco-partnerships, real estate marketing, exclusive marketing activities and designer growth. It aims to elevate the influence of designers by cooperating with new media platforms such as Xiaohongshu, Haohaozhu, TikTok and Zhuxiaobang, build the highest standard design center by sharing resources with design studios, and create an “aggregation field” of design energy.

The Company hosted the China Home Improvement Design Ecosystem Summit and the Launch Conference of Red Star Macalline M+ High-End Home Improvement Design Centers in 100 MALLs in Zhengzhou, Henan, which will gather ecological forces to build a new ecosystem, namely “linking product categories with design, and creating ideal homes with solutions” with M+ High-End Home Improvement Design Center as the carrier. Following the completion of the first batch of 16 M+ High-End Home Improvement Design Centers, the construction of the second batch of 84 centers has been officially launched. It is expected that the M+ High-End Home Improvement Design Centers will achieve the coverage of 100 MALLs nationwide by 2025. Meanwhile, the Company has also released the “533” policy of preferential and long-term rental and free home decoration periods, inviting the participation of more home decoration design professionals across the country. The Company has signed operational cooperation agreement with 10 eco-cooperation brands, including Hansgrohe, ROBAM, Nobilia, A.O. Smith, Markor Furnishings, Hisense, SUNHOHI, Dongpeng, VERYLUX and Boloni, and will accelerate the exploration of cooperation related to design ecosystem and designer operation, so as to jointly tap into the potential of existing markets.

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

3. Expanding new energy vehicles sector and jointly creating a new species of marketing in the automobile sector

From the integration of home furnishings, home appliances and home decoration to the “icebreaking and boundless fusion” of home space and automobile consumption, the Company is committed to building a comprehensive service platform for one-stop “home-related” consumption of bulk commodities. Red Star Macalline Shopping Malls can integrate the display center, delivery center, marketing activity center and experience center of new energy vehicles. Our venue strength and rent are very competitive for new energy vehicles brands. The user profiles of the home furnishing and automobile industries are highly overlapping, each of which can serve an entrance for the other to bring more effective traffic.

The π Space project, an automobile intelligent eco-complex jointly developed by the Company, was launched at Red Star Macalline Chengdu Jialing Mall. During the Reporting Period, the area of new energy vehicle stores and high-end used car stores increased by more than 60,000 square meters, and the top brands of new energy vehicles such as Tesla, BYD FANGCHENGBAO, Huawei AITO, Skyworth and Ford have completed their settlement in our malls; more than ten luxury used car brands have entered our malls. At present, the Company is carrying out multi-dimensional pilot cooperation with new energy vehicle brands in marketing, store opening and energy layout in Shanghai, Beijing, Shenzhen, Wuhan, Zhengzhou, Tianjin, Chongqing, Kunming, Suzhou, Fuzhou, Xi'an, Xining, Shenyang and other cities.

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

4. Actively responding to the trade-in strategy, opening up the service chain and activating the existing markets

“Trade-in” has become a key measure to promote stable growth in consumption this year. In March 2024, the Company launched the first batch of 32 stores in 15 cities across the country to carry out the pilot trade-in strategy. With one policy tailored to one city, the Company has increased its efforts in the trade-in of home appliances and furniture, further opened up the entire chain of trade-in, and established a standardized process. The Company has also actively integrated with the resources of branded factories to form a wide-ranging synergy for trade-in. As of the end of the Reporting Period, the Company has entered into a trade-in cooperation agreement with 15 leading home appliance brands, including Midea, Haier, Hisense, FOTILE, ROBAM and VATTI. The Company has gradually launched the “city strategy” for trade-in in Chongqing, Tianjin, Shanghai, Beijing, Jinan, Shanxi, Harbin, Nanjing, Xingyi of Guizhou and other places, where we collaborate with local governments to bring practical benefits to local consumers through various trade-in themed activities such as providing trade-in subsidies, free towing of old appliances, trade-in into the community, etc.

The Company’s eight shopping malls in Shanghai jointly held the “Electrical Appliances Trade-in and 51 Home Renewal Launching Ceremony”. The Company responds to the national policy, so that consumers can not only enjoy the home appliance subsidy policy of Shanghai Municipal Government, but also further enjoy the “High-end Upgrading Subsidy” launched by the Red Star Macalline Shopping Mall, which means consumers can enjoy “double discounts” on the purchase of high-end home appliances. During the promotion period, Red Star Macalline organized the “Green Intelligence Festival” to expand the consumption of home furnishings and kitchen and bathroom products online through Video Accounts, TikTok and other live streaming platforms. The Company also cooperated with 20 industry brands and more than 100 offline shops to comprehensively promote the consumption of green and smart home furnishings in communities.

III. BUSINESS REVIEW (continued)

(I) BUSINESS DEVELOPMENT AND LAYOUT: Stable Development of Shopping Malls and Nationwide Strategic Deployment (continued)

5. Carrying out integrated and diversified marketing online and offline, and promoting consumption through high quality and competitive price

During the Reporting Period, the Company planned a number of marketing events such as 315FUN Sihai Shopping Festival (315FUN肆嗨購節), May Day Promotion (五一大促), May 5 Shopping Festival (五五購物節), 618 Promotion (618大促), etc. During the 315 Promotion period, the Company launched a joint marketing and communication program “Star Cooperation Plan” with brands in various regions across the country; the Company has also completed the collaboration between the M+ High-end Home Improvement Design Center with traffic platforms such as Xiaohongshu, Haohaozhu and Zhuxiaobang, upgraded the regional PK Premier League mechanism and the championship list, and newly launched the “Little Blue Box Top products List” for C-end customers. During the May Day Promotion, the Company focused on joining hands with LAZBOY, MLILY, JOMOO, HTL Global Sofa Master, ZBOM, ARROW, ROBAM, AIRLAND and other major brands to organize 1,000+ events of various kinds across the country. During the May 5 Shopping Festival, the Company actively responded to the consumption subsidy policy for green and smart home appliances in Shanghai, launched a preferential trade-in promotion event in collaboration with 6 major brands, namely De RUCCI, Rinnai, Dongpeng, Serta, FOTILE and ARROW, and provided one-stop renovations, improvements, door-to-door recycling and other services for consumers. During the 618 Promotion period, shopping malls across the country continued to carry out live streaming activities on the two platforms of TikTok and Taobao. Special live streaming sessions by “Super Star Live Streamers” were launched in Jiangsu, Shandong, Tianjin, Liaoning, Anhui and Beijing, with super resources worth of RMB100 million invested, attracting the participation of shopping malls across the country. Through the online and offline distribution of unified 618 super gift packages, online battle of top live streamers, group buying of new home furnishings, offline upgrading of trade-in and M+ theme activities, 231 shopping malls across the country participated in the 10,000 Top Shopping Guides Live Streaming, creating the largest online operation scale in history.

6. Strengthening efforts to support the merchants and revitalize the operations activities of merchants

Distributors plays an important role in the home furnishing industry, so it has always been the Company’s mission and responsibility to provide them with a broader space for development. The Company has released for the first time the policy of “RMB100 million subsidies for new stores” in Guangzhou, proposing to leverage its “exhibition store linkage” advantage to help more high-quality brands in mainstream categories lay out their marketing channels by providing subsidies for new stores. The Company held the National Top Ten Credible Young Merchants Award Ceremony in Tianjin, and officially announced six policies aimed at revitalizing the operation of merchants, including “unified cash collection and quick refund”, “RMB100 million subsidies for new stores”, “ecological fusion + traffic empowerment”, “double escort of high quality and competitive price”, “household appliances trade-in” and “door-to-door maintenance service”.

IV. OUTLOOK AND PROSPECTS

The Group consistently assumes the responsibility of “building cozy and harmonious homes and improving quality of consumption and home life”. The Group will continue to follow the operational management mode of “market-oriented operation and shopping mall-based management” to provide consumers with better and more professional services. The Group will consolidate our leading position in the market as well as the professional status of “Red Star Macalline” as an expert of home life in our consumers’ minds, to pursue our enterprise development goal of growing into China’s most advanced and professional “omni-channel platform service provider for home decoration and furnishing industry”.

Our future development plans are as follows:

1. We will continue our transformation towards an “asset-light and operation-heavy” model, and further strengthen the market leadership;
2. We will carry out home decoration track, and build up consumers’ mindset;
3. We will promote the development of new retail and empower shopping mall operations;
4. We will adhere to the leverage reduction strategy to achieve high-quality development;
5. We will continue to improve corporate governance of the Company, standardize our operation and fulfill social responsibilities.



Corporate Governance and Other Information

The Company is a sino-foreign joint stock company incorporated in the PRC with limited liability under the Company Law of the PRC on 6 January 2011. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 26 June 2015. The Company's A shares were listed on the Shanghai Stock Exchange on 17 January 2018.

The principles and practices of corporate governance adopted by the Company are summarised as follows:

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders. The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company has complied with the principle and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the Reporting Period.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by Directors and supervisors of the Company (the "**Supervisors**") on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. The Company has conducted specific enquiries to all Directors and Supervisors, and all Directors and Supervisors have confirmed that they had complied with all the required standards set out in the Model Code during the six months ended 30 June 2024.

AUDIT COMMITTEE AND REVIEWING INTERIM REPORT

The Company have established an audit committee (“**Audit Committee**”) with written terms of reference in compliance with the Listing Rules, the primary duties of which are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, managing internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. As of the date of this report, the Audit Committee consisted of two independent non-executive Directors, namely Mr. XUE Wei and Mr. HUANG Jianzhong, and a non-executive Director, namely Mr. ZOU Shaorong. Mr. XUE Wei, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The Audit Committee has reviewed and confirmed the Group’s 2024 interim report and the unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

CHANGES IN DIRECTORS’ AND SUPERVISORS’ INFORMATION

As at 30 June 2024, the Directors and Supervisors confirm that there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any listed securities of the Company (including any sales of treasury shares) during the six months ended 30 June 2024. As at 30 June 2024, the Company held 1,044,800 treasury shares in A Shares (the “**Treasury A Shares**”). The Treasury A Shares will be reserved exclusively for the employee stock ownership plan or share incentive plan of the Company. If the Company fails to implement the aforementioned purposes within the period prescribed by laws and regulations, the Treasury A Shares repurchased will be cancelled.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the end of the Reporting Period, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

(i) The Company

Name of Shareholders	Title	Class of Shares	Nature of Interest	Number of	Approximate	
				Shares/ Underlying Shares Held	Percentage of the Relevant Class of Shares ⁽¹⁾	Approximate Percentage of Total Shares ⁽¹⁾
CHE Jianxing (車建興) ⁽²⁾	Chief Executive Officer and Executive Director	A Shares	Interest of controlled corporation	1,023,348,353 (Long position)	28.32%	23.50%
			Beneficial owner	435,600 (Long position)	0.01%	0.01%
			Interest of spouse	48,620 (Long position)	0.00%	0.00%
LI Jianhong (李建宏)	Executive Director	A Shares	Beneficial owner	1,134,330 (Long position)	0.03%	0.03%

Notes:

- (1) As at 30 June 2024, the Company had a total of 4,354,732,673 issued shares, including 3,613,447,039 A Shares and 741,285,634 H Shares.
- (2) Mr. CHE Jianxing indirectly holds 23.50% of the total issued Shares of the Company through his 92.00% direct interest in Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) ("RSM Holding"), a limited liability company incorporated in the PRC, and is deemed to be interested in the 1,023,348,353 A Shares held by RSM Holding for the purpose of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(ii) Associated Corporation

Name of Director	Name of Associated Corporation	Nature of interest	Equity Interest in the Associated Corporation Held	Approximate Percentage of the Relevant Class of Shares ⁽¹⁾
CHE Jianxing	RSM Holding ⁽¹⁾	Beneficial interest	184,000,000 (Long position)	92%

Note:

- (1) RSM Holding is the substantial shareholder of the Company, which is held as to 92% by Mr. CHE Jianxing and therefore an "associated corporation" of the Company within the meaning of Part XV of the SFO. As at 30 June 2024, RSM Holding held 1,023,348,353 A Shares of the Company which accounted for approximately 23.50% of the total issued Shares of the Company.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors, Supervisors or chief executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or associated corporations (a) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) which will be required to be further notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

As at the end of the Reporting Period, the interests or short positions in the shares or underlying shares of the Company which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, and which will be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, as well as persons (other than the Directors, Supervisors or chief executive of the Company), or corporations deemed, directly and/or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at our general meetings were as follows:

Name of Shareholders	Class of Shares	Capacity/Nature of Interest	Number of Shares/ Underlying Shares Held	Approximate Percentage of the Relevant Class of Shares ⁽¹⁾	Approximate Percentage of Total Share Capital ⁽¹⁾
The State-owned Assets Supervision and Administration Commission of the Xiamen Municipal People's Government	A Shares	Interest of controlled corporation	1,304,242,436 (Long position)	36.09%	29.95%
RSM Holding	A Shares	Beneficial owner	980,325,353 (Long position)	27.13%	22.51%
		Interest of controlled corporation	43,023,000 (Long position)	1.19%	0.99%
CHEN Shuhong ⁽²⁾	A Shares	Interest of spouse	1,023,783,953 (Long position)	28.33%	23.51%
		Beneficial owner	48,620 (Long position)	0.00%	0.00%
Alibaba Group Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	290,747,243 (Long position)	8.05%	6.68%
	H Shares	Interest of controlled corporation	131,475,421 (Long position)	17.74%	3.02%
Taobao China Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	248,219,904 (Long position)	6.87%	5.70%
	H Shares	Beneficial owner	65,737,711 (Long position)	8.87%	1.51%
Taobao Holding Limited ⁽³⁾	A Shares	Interest of controlled corporation	248,219,904 (Long position)	6.87%	5.70%
	H Shares	Interest of controlled corporation	65,737,711 (Long position)	8.87%	1.51%
Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司) ⁽⁴⁾	A Shares	Interest of controlled corporation	248,219,904 (Long position)	6.87%	5.70%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Name of Shareholders	Class of Shares	Capacity/Nature of Interest	Number of Shares/ Underlying Shares Held	Approximate Percentage of the Relevant Class of Shares ⁽¹⁾	Approximate Percentage of Total Share Capital ⁽¹⁾
Tao Bao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司) ⁽⁴⁾	A Shares	Interest of controlled corporation	248,219,904 (Long position)	6.87%	5.70%
Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司) ⁽⁴⁾	A Shares	Beneficial owner	248,219,904 (Long position)	6.87%	5.70%
Alibaba Investment Limited ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.51%
New Retail Strategic Opportunities Fund GP, L.P. ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.51%
New Retail Strategic Opportunities Fund, L.P. ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.51%
New Retail Strategic Opportunities GP Limited ⁽³⁾	H Shares	Interest of controlled corporation	65,737,710 (Long position)	8.87%	1.51%
New Retail Strategic Opportunities Investments 4 Limited ⁽³⁾	H Shares	Beneficial owner	65,737,710 (Long position)	8.87%	1.51%
WONG Man Li ⁽⁵⁾	H Shares	Interest of controlled corporation	47,904,600 (Long position)	6.46%	1.10%
Man Wah Investments Limited ⁽⁵⁾	H Shares	Beneficial owner	47,904,600 (Long position)	6.46%	1.10%
HUI Wai Hing ⁽⁵⁾	H Shares	Interest of the spouse	47,904,600 (Long position)	6.46%	1.10%
WONG Luen Hei ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.39%
UBS Trustees (B.V.I.) Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.39%
New Fortune Star Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.39%
Fuhui Capital Investment Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.39%
China Lesso Group Holdings Limited ⁽⁶⁾	H Shares	Interest of controlled corporation	60,442,281 (Long position)	8.15%	1.39%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

- (1) As at 30 June 2024, the Company had 4,354,732,673 issued Shares in total, comprised of 3,613,447,039 A Shares and 741,285,634 H Shares.
- (2) Ms. CHEN Shuhong is the spouse of Mr. CHE Jianxing. Under the SFO, Ms. CHEN Shuhong is deemed to be interested in the same number of Shares in which Mr. CHE Jianxing is interested.
- (3) New Retail Strategic Opportunities Investments 4 Limited is directly interested in the 65,737,710 H shares of the Company.

New Retail Strategic Opportunities Investments 4 Limited is directly 100% controlled by New Retail Strategic Opportunities Fund, L.P..

New Retail Strategic Opportunities Fund GP, L.P. is the general partner of New Retail Strategic Opportunities Fund, L.P. and New Retail Strategic Opportunities GP Limited is the general partner of New Retail Strategic Opportunities Fund GP, L.P..

New Retail Strategic Opportunities Fund GP, L.P. is directly 100% controlled by Alibaba Investment Limited, the limited partner of New Retail Strategic Opportunities Fund GP, L.P.. Meanwhile, New Retail Strategic Opportunities GP Limited is directly 100% controlled by Alibaba Investment Limited. Alibaba Investment Limited is directly 100% controlled by Alibaba Group Holding Limited. Therefore, Alibaba Group Holding Limited is deemed to be interested in the 65,737,710 H shares.

Taobao China Holding Limited is directly interested in the 65,737,711 H shares of the Company.

Taobao China Holding Limited is directly 100% controlled by Taobao Holding Limited. Taobao Holding Limited is directly 100% controlled by Alibaba Group Holding Limited. Therefore, Alibaba Group Holding Limited is deemed to be interested in the 65,737,711 H shares.

Alibaba Group Holding Limited is deemed to be interested in the 131,475,421 H shares.

- (4) On 14 May 2019, RSM Holding completed the 2019 Non-public Issuance of Exchangeable Corporate Bonds (First Tranche) (the "**Exchangeable Bonds**"). In January 2023, the Exchangeable Bonds was completed the exchange of 248,219,904 A Shares.

On 30 November 2023, Alibaba (China) Technology Co., Ltd. entered into the Share Transfer Agreement with Hangzhou Haoyue Enterprise Management Co., Ltd., pursuant to which Alibaba (China) Technology Co., Ltd. transferred 248,219,904 A shares of the Company held by it to Hangzhou Haoyue Enterprise Management Co., Ltd. In January 2024, the registration of such share transfer has completed.

- (5) Man Wah Investments Limited is directly 80% controlled by Mr. WONG Man Li and Man Wah Investments Limited is directly interested in the 47,904,600 H Shares of the Company. Therefore, Mr. WONG Man Li is deemed to be interested in the 47,904,600 H shares through Man Wah Investments Limited.

Ms. HUI Wai Hing is the spouse of Mr. WONG Man Li. Under the SFO, Ms. HUI Wai Hing is deemed to be interested in the same number of shares in which Mr. WONG Man Li is or deemed to be interested.

- (6) UBS Trustees (B.V.I.) Limited who is the trustee and sole shareholder of Xi Xi Development Limited ("**Xi Xi Development**") which in turn is the sole shareholder of New Fortune Star Limited ("**New Fortune Star**") which in turn holds 68.28% of China Lesso Group Holdings Limited ("**China Lesso**") which in turn is the sole shareholder of Fuhui Capital Investment Limited ("**Fuhui Capital**"). The trust was established by Mr. WONG Luen Hei on 22 March 2017.

Accordingly, UBS Trustees (B.V.I.) Limited is deemed to be interested in the shareholding interest of each of Xi Xi Development, New Fortune Star, China Lesso and Fuhui Capital in the Company pursuant to the disclosure requirements under the SFO.

Save as disclosed above, as at the end of the Reporting Period, the Company is not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the 2024 Interim Report, at no time during the Reporting Period was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable the Directors or the Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or the Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

INTERIM DIVIDEND

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

PUBLIC ISSUANCE OF A SHARE AND USE OF PROCEEDS

A shares of the Company were listed and traded on the Shanghai Stock Exchange on 17 January 2018 (Stock Code: 601828) at the issue price of RMB10.23 per share with an issuance size of 315,000,000 shares. The total proceeds raised from this offering was RMB3,222,450,000.00, and the net proceeds raised (after deducting the issuing expenses of A shares of RMB172,442,150.37) was RMB3,050,007,849.63. The net amount raised per subscribed share is RMB9.68 per share, and the closing price per share on the date of listing was RMB14.42. For details, please refer to the announcements of the Company dated 2 January 2018, 16 January 2018, 7 February 2018, 7 September 2018 and 1 April 2024 and the circular of the Company dated 29 April 2024, the Company has utilized the net proceeds in accordance with the purposes as disclosed.

Analysis of the use of proceeds from issuance of A shares as of 30 June 2024 is as follows:

Unit: RMB'000

Total amount of funds raised	3,222,450
Issuance expense	172,442
Net funds raised	3,050,008

PUBLIC ISSUANCE OF A SHARE AND USE OF PROCEEDS (continued)

		Balance of the investment amount as at the beginning of the Reporting Period	Investment amount utilized during the Reporting Period	Investment amount utilized as at the end of the Reporting Period	Balance of the investment amount as at the end of the Reporting Period	Remarks
Proposed investment projects		Total planned investment (RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	
Home furnishing shopping mall construction project	Tianjin Beichen Shopping Mall Project	245,137	-	-	245,137	Fully invested
	Hohhot Yuquan Shopping Mall Project	76,825	-	-	76,825	Fully invested
	Dongguan Wanjiang Shopping Mall Project	164,145	-	-	164,145	Fully invested
	Harbin Songbei Shopping Mall Project	294,809	-	-	294,809	Fully invested
	Urumqi Convention and Exhibition Mall Project ⁽²⁾⁽³⁾	669,084	2,351	-	666,733	Fully invested, the Urumqi Convention and Exhibition Mall Project had been completed and opened for business operation, and there was the remaining amount of unutilised proceeds from the project, which was mainly attributable to the fact that in the process of the construction of the fund-raising project, in accordance with the principles of reasonableness, high efficiency and economy, the Company made scientific and prudent use of proceeds based on the actual needs of the project, and on the premise of ensuring the quality of the construction of the project and controlling the risks, the supervision and control over the costs of the project were strengthened, the cost and expenses of the construction of the project were reduced and thus capital expenditure was saved, so that there was still remaining proceeds for the project after completion of the construction work. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.

PUBLIC ISSUANCE OF A SHARE AND USE OF PROCEEDS (continued)

Proposed investment projects	Total planned investment (RMB'000)	Balance of the investment amount as at the beginning of the Reporting Period (RMB'000)	Investment amount utilized during the Reporting Period (RMB'000)	Investment amount utilized as at the end of the Reporting Period (RMB'000)	Balance of the investment amount as at the end of the Reporting Period (RMB'000)	Remarks
Changsha Jinxia Shopping Mall Project ^{(2) (3)}	190,000	43,762	-	146,238	43,762	Concluded. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.
Xining Expo Shopping Mall Project	110,000	-	-	110,013 ⁽¹⁾	-	Fully invested
New Intelligent Home Furnishing Shopping Mall Project ^{(2) (3)}	400,000	282,936	88	117,152	282,848	Terminated. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.
Repayment of bank loans	400,000	-	-	400,000	-	Fully invested
Supplement of liquidity	150,008	-	-	150,008	-	Fully invested
Repayment of interest-bearing debts	350,000	-	-	350,000	-	Fully invested
Total	3,050,008	329,048	88	2,721,060	328,960⁽³⁾	

PUBLIC ISSUANCE OF A SHARE AND USE OF PROCEEDS (continued)

Notes:

- (1) Including the interest generated from the proceeds account and used for the project.
- (2) References are made to the announcements of the Company dated 1 April 2024, 23 May 2024 and the circular of the Company dated 29 April 2024, it was considered and approved the resolution concerning the conclusion, extension, suspension and termination of investment projects with partial proceeds of the Company's A shares (the "**Resolution**") at the third meeting of the fifth session of the Board, the third meeting of the fifth session of the Supervisory Committee and the 2023 annual general meeting of the Company. Pursuant to the Resolution, Changsha Jinxia Shopping Mall Project had been concluded after the approval of the shareholders at the 2023 annual general meeting and the New Intelligent Home Furnishing Shopping Mall Project had been terminated after the approval of the shareholders at the 2023 annual general meeting, and the remaining proceeds from the aforesaid projects are used as general working capital. As the construction of the Urumqi Convention and Exhibition Mall Project had been completed and opened for business operation, the remaining proceeds from the project are used as general working capital.
- (3) As of 30 June 2024, the amount of the total unutilized proceeds is approximately RMB328,960 thousand, among which, the amount to be paid for Changsha Jinxia Shopping Mall Project is approximately RMB16,943 thousand and the amount to be paid for New Intelligent Home Furnishing Shopping Mall Project is RMB124 thousand. The remaining amount of RMB311,893 thousand has been approved to be used for the general working capital purpose by the shareholders at the 2023 annual general meeting of the Company. During the six months ended 30 June 2024 and as at 30 June 2024, the Company has not used any amount of the aforesaid proceeds.
- (4) The difference between the totals in the above table is due to rounding.
- (5) The expected timetable for use of the balance of the investment amount is based on the Board's best estimate of the market conditions of business and is subject to change in the light of market conditions. The Company will publicly disclose changes in the timetable, if any, as and when appropriate in accordance with the requirements of the relevant rules in order to update its Shareholders and potential investors.

NON-PUBLIC ISSUANCE OF A SHARES AND USE OF PROCEEDS

In September 2021, the Company issued 449,732,673 A shares to specific investors in the non-public issuance, at an issue price of RMB8.23 per share, with the total proceeds of RMB3,701,299,898.79. After deducting issuance expenses (exclusive of tax) of RMB22,936,099.50, the actual net proceeds were RMB3,678,363,799.29. For details, please refer to the announcements of the Company dated 3 May 2020, 3 June 2020, 23 June 2020, 19 April 2021, 18 May 2021, 21 October 2021 and 1 April 2024 and the circulars of the Company dated 3 June 2020, 26 April 2021 and 29 April 2024, the Company has utilized the net proceeds in accordance with the purposes as disclosed.

An analysis of the use of the proceeds from the non-public issuance of A shares as of 30 June 2024 is set out below:

Unit: RMB'000

Total Proceeds	3,701,299.9
Issuance expenses	22,936.1
Net proceeds	3,678,363.8

NON-PUBLIC ISSUANCE OF A SHARES AND USE OF PROCEEDS (continued)

Proposed investment projects		Total planned investment (RMB'000)	Balance of the investment amount as at the beginning of the Reporting Period (RMB'000)	Investment amount utilized during the Reporting Period (RMB'000)	Investment amount utilized as at the end of the Reporting Period (RMB'000)	Balance of the investment amount as at the end of the Reporting Period (RMB'000)	Remarks
Tmall "Home Decoration Tongcheng Station" Project ⁽¹⁾⁽⁴⁾		220,000.0	220,000.0	-	-	220,000.0 ⁽⁴⁾	Terminated. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.
3D Shejiyun Platform Construction Project ⁽¹⁾⁽⁴⁾		283,944.7	276,948.6	-	6,996.1	276,948.6 ⁽⁴⁾	Terminated. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.
Construction Project for New Generation Home Improvement Platform System ⁽¹⁾⁽⁴⁾		350,000.0	348,418.4	-	1,581.6	348,418.4 ⁽⁴⁾	Terminated. The Company is expected to fully utilise the aforesaid outstanding amounts by 31 December 2026 in accordance with the requirements of the Listing Rules.
Home Furnishing Shopping Mall Construction Project	Foshan Lecong Shopping Mall Project ⁽²⁾	1,000,000.0	800,000.0	-	200,000.0	800,000.0 ⁽²⁾	Discontinued (suspended), due to the relatively early stage of the construction of Foshan Lecong Shopping Mall Project, as considered at the 2023 annual general meeting, the Company discontinued (suspended) the construction of Foshan Lecong Shopping Mall Project, taking into account the fact that the Company completed the change of control and management in 2023, and coupled with that adjustments to the Company's strategic plan for its existing operations are still subject to uncertainty.
	Nanning Dingjiu Shopping Mall Project	560,000.0	199,651.4	-	360,348.6	199,651.4	Postponed. This project is expected to extend to December 2026.
	Nanchang Chaoyang Xincheng Shopping Mall Project	160,910.0	-	-	160,910.0	-	Fully invested
Repayment of interest-bearing debts		1,103,509.1	-	-	1,103,509.1	-	Fully invested
Total		3,678,363.8	1,845,018.4	-	1,833,345.4	1,845,018.4	

NON-PUBLIC ISSUANCE OF A SHARES AND USE OF PROCEEDS (continued)

Notes:

- (1) References are made to the announcements of the Company dated 1 April 2024, 23 May 2024 and the circular of the Company dated 29 April 2024, it was considered and approved the resolution concerning the conclusion, extension, suspension and termination of investment projects with partial proceeds of the Company's A shares (the "**Resolution**") at the third meeting of the fifth session of the Board, the third meeting of the fifth session of the Supervisory Committee and the 2023 annual general meeting of the Company. Pursuant to the Resolution, Tmall "Home Decoration Tongcheng Station" Project, 3D Shejiyun Platform Construction Project and Construction Project for New Generation Home Improvement Platform System had been terminated after the approval of the shareholders at the 2023 annual general meeting, and the remaining proceeds from the aforesaid project are used as general working capital.
- (2) In accordance with the requirements of the Listing Rules, the management of the Company currently expects the balance of the proceeds to be utilized by the end of 2030. The foregoing expected time assumes the Company has obtained the necessary approval for the Company's redevelopment of the overall planning proposal by the Board and the shareholders at a general meeting of the Company in accordance with the requirements of the Procedures for the Administration of Proceeds.
- (3) The difference between the totals in the above table is due to rounding.
- (4) As at 30 June 2024, the remaining amount of proceeds of approximately RMB845.4 million from the 2020 non-public issuance shall be used for the general working capital purpose. During the six months ended 30 June 2024 and as at 30 June 2024, the Company has not used any aforesaid proceeds.
- (5) The expected timetable for use of the balance of the investment amount is based on the Board's best estimate of the market conditions of business and is subject to change in the light of market conditions. The Company will publicly disclose changes in the timetable, if any, as and when appropriate in accordance with the requirements of the relevant rules in order to update its Shareholders and potential investors.

REASONS FOR CHANGE OF USE OF PROCEEDS

1. Conclusion of Changsha Jinxia Shopping Mall Project

The Company's "Changsha Jinxia Shopping Mall Project" had been completed the construction of the home shopping mall and obtained the certificate of acceptance of completion of the construction site and planning in July 2020, and was originally planned to reach the intended ready-for-use condition and conclude such project after the shopping mall was opened. However, as a result of the slow progress of the development of the surrounding area of Jinxia commercial district in the early stage, it is reported that Changsha Kaifu District is actively promoting the development and construction of Jinxia New Town and preparing the relevant development strategic plan. Considering the investment promotion and operation effect of the shopping mall, the Company does not intend to commence the investment promotion of Changsha Jinxia Shopping Mall until the surrounding ancillary plans are implemented and will promote the opening of the shopping mall after the investment promotion is completed. As the construction of Changsha Jinxia Shopping Mall has been completed, the demand for construction and investment with the proceeds raised has been basically satisfied, and it is needed to commence the investment promotion and promote the opening of the shopping mall after the surrounding ancillary plans are implemented in the future. In order to improve the efficiency of the Company's capital utilisation, the Company concluded the fund-raising project; if there is any further demand for capital utilisation for the project in the future, the Company will satisfy with its internal funds.

REASONS FOR CHANGE OF USE OF PROCEEDS (continued)

2. Discontinuing (suspension) of Foshan Lecong Shopping Mall Project and Extension of Nanning Dingqiu Shopping Mall Project

The Company's "Foshan Lecong Shopping Mall Project" and "Nanning Dingqiu Shopping Mall Project" were originally planned to reach the intended ready-for-use state by the end of December 2024, but due to the impact of public health events, macroeconomic fluctuations and other factors during the construction period, its construction progress has been slowed down, and the Company expects that the construction of such shopping malls and their opening and investment promotion may not be able to achieve the expected profitability results in the short term, therefore, based on the consideration of the overall efficiency of the use of proceeds, the Company had slowed down the pace of the construction of and capital investment in such projects, which resulted in the postponement of the progress of the investment in such projects. After comprehensively taking into account the progress of the construction of the fund-raising investment projects, the Company's short – and medium – term arrangements for the construction and opening of the shopping malls and the Company's capital position and other factors, the Company is proposed to adjust the construction period of certain fund-raising projects. Specifically, given that the "Nanning Dingqiu Shopping Mall Project" has been constructed up to the portions above ground, the Company is proposed to appropriately extend the construction period of the project, extending the construction completion date for the project to reach its intended ready-for-use state to December 2026; Due to the relatively early stage of the construction of the "Foshan Lecong Shopping Mall Project", the Company discontinued (suspended) the construction of the "Foshan Lecong Shopping Mall Project", taking into account the fact that the Company completed the change of control and management in 2023, and the adjustments to the Company's strategic plan made by the Company's management considering the existing operations of the Company. And the Company will continue to further discuss the adjustment of the project after construction to optimize the implementation efficiency of the project, and will fulfil the necessary approval and decision-making procedures and make timely information disclosure upon completion of the feasibility study.

REASONS FOR CHANGE OF USE OF PROCEEDS (continued)

3. Termination of “New Intelligent Home Furnishing Shopping Mall Project”, “Tmall “Home Decoration Tongcheng Station” Project”, “3D Shejiyun Platform Construction Project” and “Construction Project for New Generation Home Improvement Platform System”

Due to the continuous iteration of new retail and online development trends in the home improvement and furniture industry, combined with the impact of public health events on residents’ consumption experience and consumption habits, fluctuations in the macroeconomic environment and adjustments to related industrial policies, as well as unsatisfactory performance of related new retail businesses in early operations and pilots, the Company has continued to discuss and research the direction and progress of its new retail strategy since 2022. Based on the perspective of improving the efficiency of the use of raised proceeds, the Company has internally slowed down the use of raised proceeds in fund-raising investment projects including the “New Intelligent Home Furnishing Shopping Mall Project”, “Tmall “Home Decoration Tongcheng Station” Project”, “3D Shejiyun Platform Construction Project” and “Construction Project for New Generation Home Improvement Platform System”, and continued to discuss the implementation of related projects.

Based on the Company’s capital condition and the consideration of enhancing its ability to resist risks in the current macroeconomic fluctuation environment, the Company has replanned and discussed the Company’s future development strategy and capital investment plan after the change of controlling shareholder and actual controller, focused on analysing matters that require the Company’s capital investment and planned to control and reduce relevant capital investment.

REASONS FOR CHANGE OF USE OF PROCEEDS (continued)

3. Termination of “New Intelligent Home Furnishing Shopping Mall Project”, “Tmall “Home Decoration Tongcheng Station” Project”, “3D Shejiyun Platform Construction Project” and “Construction Project for New Generation Home Improvement Platform System” (continued)

In May 2019, the Company entered into a strategic cooperation agreement with Alibaba and officially launched online and offline integrated operations on Double Eleven that year. In order to further deepen the cooperation, the Company's business boundaries have been expanded through the digital upgrading and online branding of shopping malls, so that the Company's business expansion is no longer limited by the space of traditional offline business premises, further promoting online and offline business through online customer attraction. The Company has established the “Tmall “Home Decoration Tongcheng Station” Project” and originally planned to use the proceeds raised from non-public issuance in 2020 to purchase the store digital equipment and Tongcheng Station live broadcast equipment required for the project. During the actual implementation of the project, the Company continued to invest its internal resources in the “Tmall “Home Decoration Tongcheng Station” Project”, including personnel expenses and daily operating expenses. In order to improve the efficiency of capital use, the Company has rented relevant equipment at a lower cost to carry out project construction. Since the equipment leasing costs were different from the original plan for the use of raised proceeds, the Company used its own working capital to carry out relevant project construction. As of 31 December 2023, Tmall Tongcheng Station have been launched in a total of 73 shopping malls in 32 cities, with the online traffic scale exceeding 100 million throughout the year. In the future, the Company will continue to invest its internal resources in the construction of Tmall Tongcheng Station and continue to deepen the online and offline integrated operation strategy. However, based on the current capital condition of the Company and with a view to improving the efficiency of capital use, the Company intends to continue to invest such capital in the form of non-capital expenditures in a short term.

In view of the foregoing, taking into account the industry development and iterations, the Company's development strategy discussion, the Company's financial condition and other factors, the Company terminated the “New Intelligent Home Furnishing Shopping Mall Project”, “Tmall “Home Decoration Tongcheng Station” Project”, “3D Shejiyun Platform Construction Project” and “Construction Project for New Generation Home Improvement Platform System”, and use the remaining proceeds to permanently replenish working capital.

MATERIAL LEGAL PROCEEDINGS

For the six months ended 30 June 2024, the Group did not have any material legal or arbitral proceedings. The Directors also are not aware of any material legal proceedings or claims which are pending or threatened against the Group.

EVENTS AFTER THE REPORTING PERIOD

The Waivers of Several Voluntary Undertakings Made by the Company, the Second Largest Shareholder and the Former De Facto Controller

The Company has received several applications in relation to waivers of several voluntary undertakings made by, inter alias, RSM Holding, the second largest Shareholder of the Company, and Mr. CHE Jianxing, the former de facto controller of the Company (the **“Waiver Applications”**), applying for waivers of several undertakings previously made by them. In addition, the Company also proposed to apply for waivers of several voluntary undertakings made by the Company. On 12 July 2024, the Company convened the sixteenth extraordinary meeting of the fifth session of the Board and the fifth extraordinary meeting of the fifth session of the Supervisory Committee, which considered and approved the resolution in relation to the waivers of several voluntary undertakings made by the Company, the second largest Shareholder and the former de facto controller, agreeing to waive several voluntary undertakings previously made by RSM Holding, Mr. CHE Jianxing, and the Company. On 6 August 2024, the 2024 first extraordinary general meeting of the Company considered and approved the aforesaid resolution. For details, please refer to the announcements of the Company dated 12 July 2024 and 6 August 2024 which were disclosed on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>), respectively.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	4,224,862	5,659,926
Cost of sales and services		(1,427,483)	(2,037,580)
Gross profit		2,797,379	3,622,346
Other income	5	99,943	146,906
Other gains or losses, net	6	(273,992)	(241,926)
Selling and distribution expenses		(463,150)	(606,239)
Administrative expenses		(700,373)	(905,791)
Research and development expenses		(7,339)	(9,367)
Change in fair value of investment properties, net		(1,177,523)	(296,248)
Impairment losses under expected credit loss model, net of reversal		(474,770)	(252,246)
Share of results of associates, net		1,515	70,193
Share of results of joint ventures, net		(37,689)	18,574
Finance cost	7	(1,300,450)	(1,258,002)
(Loss)/profit before tax		(1,536,449)	288,200
Income tax credit/(expenses)	8	113,193	(174,751)
(Loss)/profit for the period	9	(1,423,256)	113,449

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Other comprehensive (loss)/income			
<i>Item that will not be reclassified to profit or loss:</i>			
Changes in fair value of other equity instrument investments		(82,110)	(29,105)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences from translation of financial statements		280	1,659
Other comprehensive loss, net of tax		(81,830)	(27,446)
Total comprehensive (loss)/income for the period		(1,505,086)	86,003
(Loss)/profit for the period attributable to:			
Owners of the Company		(1,336,774)	128,196
Non-controlling interests		(86,482)	(14,747)
		(1,423,256)	113,449
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(1,416,133)	100,008
Non-controlling interests		(88,953)	(14,005)
		(1,505,086)	86,003
(Loss)/earnings per share			
Basic and diluted (loss)/earnings (RMB per share)	11	(0.31)	0.03

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Investment properties	12	97,305,200	98,480,200
Property, plant and equipment	13	2,827,012	2,978,655
Right-of-use assets	13	7,882	10,787
Intangible assets	13	81,618	97,830
Goodwill		97,597	97,597
Interests in associates		2,390,848	2,415,082
Interests in joint ventures		989,730	1,027,419
Financial instruments at fair value through profit or loss		163,605	260,025
Financial instruments at fair value through other comprehensive income		1,494,771	1,757,631
Deferred tax assets		3,530,404	3,145,906
Loan receivables		295,681	324,064
Restricted bank deposits	16	550,130	444,253
Deposits, prepayment and other receivables	15	2,909,014	3,163,522
Total non-current assets		112,643,492	114,202,971
Current assets			
Inventories		67,671	159,514
Loan receivables		2,008,677	2,255,791
Financial instruments at fair value through profit or loss		134,966	570,321
Account receivables	14	1,138,503	1,203,320
Note receivables	14	3,140	6,176
Contract assets		1,199,334	1,386,743
Deposits, prepayment and other receivables	15	1,688,992	1,871,973
Bank balances and cash	17	2,380,325	2,529,800
Total current assets		8,621,608	9,983,638
Total assets		121,265,100	124,186,609

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
	Notes		
Current liabilities			
Trade and other payables	18	15,643,925	12,194,197
Rental and service fee received in advance		584,804	876,845
Contract liabilities		924,516	1,137,850
Tax payables		209,321	378,302
Lease liabilities		616,805	954,445
Bank and other borrowings	19	9,782,460	12,976,625
Other current liabilities	21	73,093	73,277
Total current liabilities		27,834,924	28,591,541
Net current liabilities		(19,213,316)	(18,607,903)
Total assets less current liabilities		93,430,176	95,595,068
Non-current liabilities			
Deferred tax liabilities		14,018,739	14,037,866
Bank and other borrowings	19	19,791,497	19,713,654
Bonds	20	1,772,438	1,758,512
Lease liabilities		2,246,992	2,822,379
Other payables	18	494,350	510,349
Deferred income		163,574	210,046
Contract liabilities		432,012	455,413
Other non-current liabilities	21	881,189	943,714
Total non-current liabilities		39,800,791	40,451,933
Net assets		53,629,385	55,143,135

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
	Notes		
Equity			
Share capital	22	4,354,733	4,354,733
Reserves		46,060,698	47,477,661
Equity attributable to owners of the Company		50,415,431	51,832,394
Non-controlling interests		3,213,954	3,310,741
Total equity		53,629,385	55,143,135

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital	Capital reserve	Fair value through other comprehensive income reserve	Investment properties reserves	Exchange difference	Surplus reserve	Retained earnings	Sub-total	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(note a)	(note b)	(note c)	(note d)				
As at 31 December 2023 and 1 January 2024 (audited)	4,354,733	7,250,298	542,728	81,398	149	2,293,731	37,309,357	51,832,394	3,310,741	55,143,135
Loss for the period	-	-	-	-	-	-	(1,336,774)	(1,336,774)	(86,482)	(1,423,256)
Fair value change	-	-	(79,639)	-	-	-	-	(79,639)	(2,471)	(82,110)
Exchange differences on translating foreign operations	-	-	-	-	280	-	-	280	-	280
Total comprehensive loss for the period	-	-	(79,639)	-	280	-	(1,336,774)	(1,416,133)	(88,953)	(1,505,086)
Acquisition of non-controlling interests	-	296	-	-	-	-	-	296	(296)	-
Contributions from shareholders of subsidiaries	-	-	-	-	-	-	-	-	2,988	2,988
Distributions to shareholders	-	-	-	-	-	-	-	-	(21,363)	(21,363)
Disposal of financial instruments at fair value through other comprehensive income	-	-	(57,078)	-	-	-	57,078	-	-	-
Others	-	(1,126)	-	-	-	-	-	(1,126)	10,837	9,711
As at 30 June 2024 (unaudited)	4,354,733	7,249,468	406,011	81,398	429	2,293,731	36,029,661	50,415,431	3,213,954	53,629,385

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Fair value through other comprehensive income reserve <i>RMB'000</i> (note a)	Investment properties reserves <i>RMB'000</i> (note b)	Exchange difference <i>RMB'000</i> (note c)	Surplus reserve <i>RMB'000</i> (note d)	Retained earnings <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non- controlling interest <i>RMB'000</i>	Total equity <i>RMB'000</i>
As at 31 December 2022 and 1 January 2023 (audited)	4,354,733	6,876,592	931,929	81,398	(601)	2,293,731	39,909,183	54,446,965	3,555,751	58,002,716
Profit for the period	-	-	-	-	-	-	128,196	128,196	(14,747)	113,449
Fair value change	-	-	(29,847)	-	-	-	-	(29,847)	742	(29,105)
Exchange differences on translating foreign operations	-	-	-	-	1,659	-	-	1,659	-	1,659
Total comprehensive income for the period	-	-	(29,847)	-	1,659	-	128,196	100,008	(14,005)	86,003
Acquisition of non-controlling interests	-	(4,297)	-	-	-	-	-	(4,297)	4,297	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	1,171	1,171
Dividend paid	-	-	-	-	-	-	(348,295)	(348,295)	-	(348,295)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(8,000)	(8,000)
Change in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	9,347	9,347
Disposal of financial instruments at fair value through other comprehensive income	-	-	(132,365)	-	-	-	132,365	-	-	-
As at 30 June 2023 (unaudited)	4,354,733	6,872,295	769,717	81,398	1,058	2,293,731	39,821,449	54,194,381	3,548,561	57,742,942

The attached notes below to the financial statements are the constituent part of this financial statement



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

Notes:

- (a) Fair value through other comprehensive income reserve comprises the cumulative net change in the fair value of equity investments designated at FVTOCI under IFRS 9 that are held at the end of the reporting period.
- (b) Investment properties reserve represents difference arising between the carrying amount under IAS 16 at that date and the fair value is dealt with as a revaluation under IAS 16 from a transfer owner-occupied property to investment property carried at fair value.
- (c) Exchange differences comprises all foreign exchange differences arising from the translation of the financial statement of operations.
- (d) According to the relevant rules and regulations in the People's Republic of China ("PRC"), subsidiaries of the Company established in the PRC are required to transfer 10% of their net profit, as determined in accordance with the PRC accounting standards and regulations, to the reserve fund until the balance of the reserve reaches 50% of their respective registered capital. The transfer to this reserve must be made before distribution of dividends to owners of these subsidiaries. Reserve fund can be used to set off previous years' losses, if any, and may be converted into capital in proportion to existing equity owners' equity percentage, provided that the balance after such issuance is not less than 25% of their registered capital.

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Operating activities			
(Loss)/profit before tax		(1,536,449)	288,200
Adjustments for:			
Amortisation of intangible assets		19,530	20,420
Changes in fair value of investment properties	12	1,177,523	296,248
Changes in fair value of financial instruments at fair value through profit or loss ("FVTPL")		85,531	4,960
Depreciation of property, plant and equipment		103,729	143,814
Depreciation of right-of-use assets		2,905	8,988
Dividend income from financial instruments at fair value through other comprehensive income ("FVTOCI")	5	(6,798)	(34,541)
Dividend income from financial instruments at fair value through profit or loss		(800)	–
Unrealised exchange loss		11,011	–
Finance cost	7	1,300,450	1,258,002
(Gain)/loss on disposal of associates and joint ventures	6	(12,994)	40,586
Loss on disposal of financial instruments at FVTPL	6	2,450	21,820
(Gain)/loss on lease modification	6	(24,257)	48,410
(Gain)/loss on disposal of property, plant and equipment	6	(591)	15,249
Impairment losses under expected credit losses model, net of reversal		474,770	252,246
Interest income	5	(67,889)	(79,573)
Gain on disposal of subsidiaries, net	8	–	(4,689)
Share of results of associates, net		(1,515)	(70,193)
Share of results of joint ventures, net		37,689	(18,574)
Write-down of inventories	6	71,857	–
Written-off of property, plant and equipment	6	5,025	–
Written off of intangible assets	6	771	–
Operating cash flows before movements in working capital		1,641,948	2,191,373
Change in inventories		19,986	31,625
Change in contract assets		174,512	(75,033)
Change in trade and other receivables		177,343	262,268
Change in rental and service fee received in advance		(292,041)	314,802
Change in trade and other payables		(1,773,519)	(64,467)
Change in contract liabilities		(236,735)	(276,317)
Change in deferred income		(46,472)	(5,156)
Change in other current liabilities		(184)	(185)
Change in other non-current liabilities		(62,525)	(80,585)
Cash (used in)/generated from operations		(397,687)	2,298,325
Income tax paid		(423,579)	(230,087)
Net cash (used in)/generated from operating activities		(821,266)	2,068,238

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Investing activities			
Dividends received		15,382	44,879
Decrease in loan receivables		29,954	6,059
Interest received		23,041	9,361
Payment of restricted bank deposits		(205,310)	(128,522)
Placement of bank deposits with original maturity over three months		(17,085)	(19,000)
Proceeds on disposal of subsidiaries		–	(444)
Proceeds on disposal of associates and joint ventures		17,809	81,967
Proceeds on disposal of intangible assets		537	306
Proceeds on disposal of property, plant and equipment		1,032	118,679
Purchase of property, plant and equipment		(22,753)	(44,584)
Purchase of intangible assets		(337)	(15,053)
Purchase of investment properties		(171,797)	(196,201)
Purchases of financial instruments at FVTPL		(24,221)	(88,060)
Payment for acquisition of additional interests in subsidiaries		(2,055)	–
Redemption of financial instruments at FVTOCI		140,613	446,145
Redemption of financial instruments at FVTPL		29	405,620
Withdrawal of bank deposits with original maturity over three months		13,000	18,000
Withdrawal of restricted bank deposits		89,094	95,313
Net cash (used in)/generated from investing activities		(113,067)	734,465

The attached notes below to the financial statements are the constituent part of this financial statement

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Financing activities			
Advance from related parties and third parties		8,146,978	466,713
Contributions from shareholders of subsidiaries		3,388	–
Dividends paid to non-controlling shareholders of subsidiaries		(30,757)	(17,209)
Interest paid		(1,089,648)	(1,247,263)
Proceeds from new bank and other borrowings		7,286,202	2,118,995
Repayment of bank and other borrowings		(10,111,585)	(2,246,537)
Redemption of bonds		–	(500,829)
Repayment of lease liabilities		(308,846)	(247,274)
Payment for acquisition of additional interests in subsidiaries		(10,400)	–
Repayment to related parties and third parties		(3,104,341)	(1,239,770)
Net cash generated from/(used in) financing activities		780,991	(2,913,174)
Net decrease in cash and cash equivalents		(153,342)	(110,471)
Effect of foreign exchange rate changes		(218)	627
Cash and cash equivalents at beginning of period		2,506,800	2,608,264
Cash and cash equivalents at end of period, represented by bank balances and cash		2,353,240	2,498,420

The attached notes below to the financial statements are the constituent part of this financial statement

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "**PRC**") on 6 January 2011 as a sino-foreign joint stock limited company under the PRC laws upon the conversion of Shanghai Red Star Macalline Enterprise Management Company Limited (上海紅星美凱龍企業管理有限公司), a company with limited liability incorporated in the PRC. In the opinion of the directors of the Company, Xiamen C&D Inc. (廈門建發股份有限公司) ("**Xiamen C&D**", a company listed on the Shanghai Stock Exchange (A Share Stock Code: 600153)) exercises control over the Company and is the parent company of the Company. State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government (廈門市人民政府國有資產監督管理委員會) is the ultimate controlling shareholder of the Company.

The H shares of the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on June 2015 and the A shares of the Company were listed on Shanghai Stock Exchange in January 2018.

The respective addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section of the interim report. The principal activities of the Company and its subsidiaries (collectively the "**Group**") are operating and managing home furnishing shopping malls. The Group is also involved in pan home furnishings consumption, including internet home decoration, internet retail, etc..

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Group.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. BASIS OF PREPARATION (continued)

2.2 Going concern

The Group incurred loss of RMB1,423,256 thousand for the period ended 30 June 2024, and the Group had net current liabilities of RMB19,213,316 thousand as at 30 June 2024.

In view of such circumstances, the directors of the Company continue to implement a series of plans and measures to improve the Group's liquidity and financial position, which include but not limited to the following:

- The management had assessed the ongoing operations of the Group for the 12 months starting from 1 July 2024, and after taking into account unutilised bank facilities granted to the Group and the Group's expected operating cash inflows and financing arrangements as of 30 June 2024, believed that the liquidity risks that the Group is exposed to due to the fact that it has net current liabilities at 30 June 2024 fall within the range of controllable risks, and thus will not have material effects on the ongoing operations and financial position of the Group.
- Continuing to negotiate with banks and financial institutions for financing.

The directors of the Company are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Amendments to IFRSs that are mandatorily effective for the current period

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective date not yet determined.

The directors of the Company anticipate that the application of all the new and amendments to IFRSs will have no material impact on the condensed consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION AND REVENUE

The Group is organised into business units based on their types of activities. These business units are the basis of information that is prepared and reported to the Group's chief operating decision maker (i.e. the Chairman of the Company) for the purposes of resource allocation and assessment of performance. The Group's operating segments under IFRS 8 are identified as the following five business units:

Owned/leased Portfolio Shopping Malls: this segment derives revenue from leasing floor areas to the tenants and providing comprehensive and continuous operation and management support to them.

Managed Shopping Malls: this segment derives revenue from providing initiation, consultation and management services to the Group's partners and the construction contractors to develop and manage the shopping malls under the Group's own brand.

Construction and design: this segment derives revenue from providing construction and design services.

Related home decoration and sales of merchandise: this segment derives revenue from retail sales of home furnishing merchandise and providing related decorating services.

Others: this segment derives revenue from providing other comprehensive service to the customers, including strategy consultation, home design consultation, construction service, internet home decoration, internet retail, as well as logistics and delivery services.

The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other incomes, other gains or losses, research and development expenses, changes in fair value of investment properties, impairment loss under expected credit losses, share of results of associates, share of results of joint ventures, finance costs, central administrative expenses and income tax expenses. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment. No operating segments have been aggregated in arriving at reportable segment of the Group.

No segment assets and liabilities, and other segment information are presented as they were not regularly provided to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. SEGMENT INFORMATION AND REVENUE (continued)

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

	Owned/Leased Portfolio			Related home decoration and		
	Shopping Malls	Managed Shopping Malls	Construction and design	sales of merchandise	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Six months ended 30 June 2024						
Segment revenue from external customers	2,903,166	827,466	167,414	61,152	265,664	4,224,862
Segment profit/(loss)	1,572,817	66,409	(21,384)	(15,733)	53,404	1,655,513
Unallocated:						
Other income						99,943
Other gains or losses, net						(273,992)
Central administrative expense						(21,657)
Research and development expenses						(7,339)
Change in fair value of investment properties, net						(1,177,523)
Impairment losses under expected credit loss model, net of reversal						(474,770)
Share of results of associates, net						1,515
Share of results of joint ventures, net						(37,689)
Finance cost, net						(1,300,450)
Loss before tax						(1,536,449)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. SEGMENT INFORMATION AND REVENUE (continued)

	Owned/Leased Shopping Malls RMB'000 (Unaudited)	Managed Shopping Malls RMB'000 (Unaudited)	Construction and design RMB'000 (Unaudited)	Related home decoration and sales of merchandise RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2023						
Segment revenue from external customers	3,376,869	1,076,901	531,535	220,719	453,902	5,659,926
Segment profit/(loss)	1,828,896	161,589	41,065	(74,872)	180,859	2,137,537
Unallocated:						
Other income						146,906
Other gains or losses, net						(241,926)
Central administrative expense						(27,221)
Research and development expenses						(9,367)
Change in fair value of investment properties, net						(296,248)
Impairment losses under expected credit loss model, net of reversal						(252,246)
Share of results of associates, net						70,193
Share of results of joint ventures, net						18,574
Finance cost, net						(1,258,002)
Profit before tax						288,200

The revenue of sales set out as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	1,310,547	2,252,496
Rental and related income	2,914,315	3,407,430
	4,224,862	5,659,926

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. SEGMENT INFORMATION AND REVENUE (continued)

The following is an analysis of revenue from contracts with customers:

	Managed Shopping Malls <i>RMB'000</i> (Unaudited)	Construction and design <i>RMB'000</i> (Unaudited)	Related home decoration and sales of merchandise <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Six months ended 30 June 2024					
Principal operating region					
Mainland China	827,466	167,414	61,152	254,515	1,310,547
Timing of revenue recognition					
At point in time					
Revenue from sales of goods	–	–	15,929	–	15,929
Other revenues	–	–	–	136,375	136,375
Over-time					
Revenue from operation and management services	827,466	–	–	–	827,466
Revenue from construction and design service	–	167,414	–	–	167,414
Revenue from decoration	–	–	45,223	–	45,223
Other revenues	–	–	–	118,140	118,140
Total	827,466	167,414	61,152	254,515	1,310,547

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. SEGMENT INFORMATION AND REVENUE (continued)

	Managed Shopping Malls <i>RMB'000</i> (Unaudited)	Construction and design <i>RMB'000</i> (Unaudited)	Related home decoration and sales of merchandise <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Six months ended 30 June 2023					
Principal operating region					
Mainland China	1,076,901	531,535	220,719	423,341	2,252,496
Timing of revenue recognition					
A point in time					
Revenue from sales of goods	–	–	38,231	–	38,231
Other revenues	–	–	–	130,677	130,677
Over-time					
Revenue from operation and management services	1,076,901	–	–	–	1,076,901
Revenue from construction and design service	–	531,535	–	–	531,535
Revenue from decoration	–	–	182,488	–	182,488
Other revenues	–	–	–	292,664	292,664
Total	1,076,901	531,535	220,719	423,341	2,252,496

Geographic information

All the revenue and operating results of the Group are derived from the PRC based on location of the operations. All the Group's non-current assets are located in PRC based on geographical location of the assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest income on		
– bank deposits	8,116	7,221
– other loans and receivables	59,773	72,352
Total interest income	67,889	79,573
Government grants	14,366	29,476
Subsidy for land supporting expense and subsidy for gas-fired air conditioning equipment	2,924	2,924
Dividend income from financial instruments at FVTOCI	6,798	34,541
Dividend income from financial instruments at FVTPL	800	–
Income from default compensation	468	392
Income from project termination	6,698	–
	99,943	146,906

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

6. OTHER GAINS OR LOSSES, NET

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Gain/(loss) on disposal of associates and joint ventures	12,994	(40,586)
Loss on disposal of financial instruments at FVTPL	(2,450)	(21,820)
Gain/(loss) on disposal of property, plant and equipment	591	(15,249)
Gain on disposal and deregistration of subsidiaries, net	–	4,689
Gain/(loss) on lease modification	24,257	(48,410)
Fair value change on financial instruments at FVTPL	(85,531)	(4,960)
Charitable donations	(30)	(17)
Compensation expenses	(13,191)	(55,741)
Written off of property, plant and equipment	(5,025)	–
Written off of intangible assets	(771)	–
Write-down of inventories	(71,857)	–
Exchange loss	(15,182)	(65,218)
Others (note)	(117,797)	5,386
	(273,992)	(241,926)

Note: Other losses mainly included losses incurred by the Group due to the termination of projects and other matters.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

7. FINANCE COST

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest on bank and other borrowings	1,172,710	1,270,473
Interest on lease liabilities	77,426	94,470
Interest on bonds	50,916	61,632
	1,301,052	1,426,575
Less: amount capitalised in the cost of qualifying assets	(602)	(168,573)
	1,300,450	1,258,002

8. INCOME TAX (CREDIT)/EXPENSES

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Income tax (credit)/expenses comprise:		
Current tax:		
PRC enterprise income tax	235,624	89,328
Deferred tax – current period	(348,817)	85,423
Income tax (credit)/expenses	(113,193)	174,751

8. INCOME TAX (CREDIT)/EXPENSES (continued)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The Group’s subsidiaries, Chengdu Red Star Macalline Xinnan Business Management Company Limited (成都紅星美凱龍新南商業管理有限公司), Chongqing Liangjiang New Area Red Star Macalline Business Management Company Limited (重慶兩江新區紅星美凱龍商業管理有限公司), and Kunming Red Star Macalline Shibo Home Furnishing Plaza Company Limited (昆明紅星美凱龍世博家居廣場有限公司), are entitled to preferential policies on enterprise income tax pursuant to the Announcement of the Ministry of Finance, the General Administration of Taxation and the National Development and Reform Commission No. 23 of 2020 “Announcement of the General Administration of Taxation of the Ministry of Finance and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policies for the Development of Western Region” (《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》). The aforesaid subsidiaries met the relevant conditions and the applicable tax rate for the current year was 15%.

In December 2022, a subsidiary of the Group, Shanghai Red Star Macalline Building Design Company Limited (上海紅星美凱龍建築設計有限公司), obtained the Certificate for Hi-tech Enterprise, whose certificate number was GR202231004738 with a validity of three years, and was subject to a tax rate of 15% for the year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

9. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
(Loss)/profit for the period has been arrived at after charging/(crediting):		
Staff costs (including directors emoluments)		
Salaries and other benefits	961,922	1,238,202
Retirement benefits scheme contributions	95,508	117,868
Total staff costs	1,057,430	1,356,070
Cost of inventories recognised as an expense	21,879	81,305
Depreciation of property, plant and equipment	103,729	143,814
Depreciation of right-of-use assets	2,905	8,988
Amortisation of intangible assets	19,530	20,420
Advertising and promotional expenses	271,788	330,516
Gross rental income from investment properties	(2,914,315)	(3,376,869)
Less: Direct operating expenses incurred for investment properties	641,727	689,868
	(2,272,588)	(2,687,001)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

10. DIVIDEND

Dividends for ordinary shareholders of the Company recognised as distribution during the period:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
2022 Final Dividend (RMB0.034 per share)	–	148,025
Special Dividend (RMB0.046 per share)	–	200,270
	–	348,295

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

The final dividend that relates to the year ended 31 December 2022 (the “**2022 Final Dividend**”) amounting to RMB148,025 thousand was approved at the annual general meeting on 26 June 2023 and has been paid on 25 August 2023. On 28 April 2023, the Board has proposed the distribution of a special dividend of RMB0.46 per 10 shares (“**Special Dividend**”). The Special Dividend amounting to RMB200,270 thousand was approved at the annual general meeting on 26 June 2023 and has been paid on 25 August 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share as of 30 June 2024 and 2023 is based on the following data:

	Six months ended 30 June	
	2024	2023
	RMB (Unaudited)	RMB (Unaudited)
Basic and diluted (loss)/earnings per share	(0.31)	0.03

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares.

There was no dilutive potential ordinary shares outstanding for the six months ended 30 June 2024 (Six months ended 30 June 2023: nil). Accordingly, the diluted loss (six months ended 30 June 2023: profit) per share is same as basic loss (six months ended 30 June 2023: profit) per share for the six months ended 30 June 2024.

As of 30 June 2024 and 2023, the calculation of basic and diluted (loss)/earnings per share is detailed as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
<i>(Loss)/earnings</i>		
Net (loss)/profit for the period attributable to owner of the Company (RMB'000)	(1,336,774)	128,196
<i>Number of the ordinary shares</i>		
Weighted average number of the ordinary shares of the Company ('000)	4,354,733	4,354,733

12. INVESTMENT PROPERTIES

The Group leases out shops and buildings under operating leases with rentals payable monthly. The leases typically run for an initial period of 6 months to 2 years (31 December 2023: 6 months to 2 years), with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	Completed investment properties <i>RMB'000</i>	Properties under construction <i>RMB'000</i>	Leased properties <i>RMB'000</i>	Total <i>RMB'000</i>
Fair value				
As at 1 January 2023 (Audited)	86,781,000	8,928,000	4,313,185	100,022,185
Additions	51,960	367,072	63,228	482,260
Lease modification	–	–	(135,494)	(135,494)
Disposal of assets	(44,000)	–	–	(44,000)
Transfer to property, plant and equipment	(298,707)	–	–	(298,707)
Changes in fair value	(677,054)	(192,072)	(676,918)	(1,546,044)
As at 31 December 2023 and 1 January 2024 (Audited)	85,813,199	9,103,000	3,564,001	98,480,200
Additions	411,900	15,147	44,722	471,769
Lease modification	–	–	(469,246)	(469,246)
Completion of properties under construction	495,000	(495,000)	–	–
Changes in fair value	(677,899)	(162,147)	(337,477)	(1,177,523)
As at 30 June 2024 (Unaudited)	86,042,200	8,461,000	2,802,000	97,305,200

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

12. INVESTMENT PROPERTIES (continued)

The investment properties are all situated on the land under medium-term lease in the PRC. The fair values of the Group's investment properties at the end of the reporting period were valued by Shanghai Orient Appraisal CO., LTD. and Beijing Zhuoxindahua Appraisal CO., LTD., two firms of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuation of completed investment properties has been arrived at with adoption of income approach based on the rental income of the property derived from the existing leases and achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate.

The valuation of certain investment properties at an early development stage has been arrived at by direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

The valuation of other investment properties under development has been arrived at with adoption of residual approach which assumed that they will be developed and completed in accordance with the latest development proposal. In arriving at the opinion of value, reference has been made to comparable evidence as available in the relevant market and the valuation also take into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

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For the six months ended 30 June 2024

12. INVESTMENT PROPERTIES (continued)

As at 30 June 2024 (unaudited)

	Fair value Hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range	Effect on fair value for increase of key input to the input
Completed investment properties	Level 3	Income approach/ Direct comparison approach	Price of unit area leasable (per square meter per month)	RMB12 to RMB238	Increase
			Capitalisation Rate	6.0% to 7.0%	Decrease
Investment properties at an early development stage	Level 3	Direct comparison approach/Hypothetical development approach	Unit area price of investment properties (per square meter)	RMB370 to RMB15,130	Increase
Other investment properties under development	Level 3	Direct comparison approach	Price of unit area leasable (per square meter per month)	RMB57 to RMB78	Increase
			Capitalisation rate	6% to 7%	Decrease
Leased properties	Level 3	Income approach	Price of unit area leasable (per square meter per month)	RMB25 to RMB223	Increase
			Capitalisation rate	4.5% to 6.5%	Decrease

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

12. INVESTMENT PROPERTIES (continued)

As at 31 December 2023 (audited)

	Fair value Hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range	Effect on fair value for increase of key input to the input
Completed investment properties	Level 3	Income approach/ Direct comparison approach	Price of unit area leasable (per square meter per month)	RMB14 to RMB241	Increase
			Capitalisation Rate	6.0% to 7.0%	Decrease
Investment properties at an early development stage	Level 3	Direct comparison approach/Hypothetical development approach	Unit area price of investment properties (per square meter)	RMB372 to RMB40,636	Increase
Other investment properties under development	Level 3	Direct comparison approach	Price of unit area leasable (per square meter per month)	RMB57 to RMB78	Increase
			Capitalisation rate	6% to 7%	Decrease
Leased properties	Level 3	Income approach	Price of unit area leasable (per square meter per month)	RMB45 to RMB19,046	Increase
			Capitalisation rate	6% to 7%	Decrease

12. INVESTMENT PROPERTIES (continued)

There were no transfers into or out of Level 3 during the six months ended 30 June 2024 and 2023.

The unrealised loss on property revaluation amounting to RMB1,177,523 thousand was recognised in profit or loss during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB296,248 thousand).

The Group was in process of obtaining the relevant ownership property certificates for the investment properties with carrying amounts of RMB3,579,000 thousand and RMB3,304,000 thousand as at 30 June 2024 and 31 December 2023, respectively. In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

The Group's investment properties of RMB82,800,000 thousand (31 December 2023: RMB85,231,000 thousand) was pledged to secure the bank and other borrowing of the Group as detailed in Notes 19.

13. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group acquired property, plant and equipment, right-of-use assets and intangible assets at an aggregate cost of RMB22,753 thousand, RMB0 and RMB337 thousand respectively (30 June 2023: RMB16,906 thousand, RMB0 and RMB22,671 thousand respectively).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

14. ACCOUNTS RECEIVABLE/NOTE RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Accounts receivable	2,626,423	3,169,493
Less: provision of expected credit loss	(1,487,920)	(1,966,173)
	1,138,503	1,203,320
Note receivables	3,140	6,176
	1,141,643	1,209,496

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of ECL, is as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 1 year	810,523	738,301
1 to 2 years	362,405	453,273
2 to 3 years	433,771	413,187
Over 3 years	1,019,724	1,564,732
Less: provision of expected credit loss	(1,487,920)	(1,966,173)
	1,138,503	1,203,320

The Group has not granted any credit period to its customers. Before accepting any new customers, the Group uses past experience to assess the potential customers' credit quality and defines credit limits for the customers. Limits attributed to customers are reviewed regularly.

At 30 June 2024 and 31 December 2023, all the notes are with a maturity period of less than one year. The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as immaterial.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

15. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Current portion:		
Prepayment	260,413	291,327
Deposits	103,669	90,896
Interest receivables	38,038	35,999
Dividends receivables	31,000	31,000
Tax prepaid (note a)	609,584	659,693
Others (note e)	1,051,106	1,168,708
	2,093,810	2,277,623
Less: provision of expected credit loss/impairment loss	(404,818)	(405,650)
Total current portion	1,688,992	1,871,973
Non-current portion:		
Deposit	89,305	89,305
Lease deposit	70,490	72,290
Prepayments for purchase of properties (note d)	121,507	321,059
Others	503,639	515,899
	784,941	998,553
Less: provision of expected credit loss	(187,869)	(134,308)
	597,072	864,245
Prepayments for construction and advance payment for land compensation	1,429,733	1,416,377
Earning right related to land consolidation (note c)	1,835,868	1,835,868
	3,265,601	3,252,245
Less: impairment losses (note b)	(953,659)	(952,968)
	2,311,942	2,299,277
Total non-current portion	2,909,014	3,163,522

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

15. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES (continued)

Notes:

- (a) The Group's tax prepaid is mainly VAT to be deducted, which is expected to be deductible within the next year.
- (b) The management of the Group concluded there was indication of impairment and conducted impairment assessment on recoverable amounts of certain prepayment for construction and advance payment and earning right related to land consolidation with carrying amounts (before impairment) of RMB1,429,733 thousand (31 December 2023: RMB1,416,377 thousand) and RMB1,835,868 thousand (31 December 2023: RMB1,835,868 thousand), respectively. For the six months ended 30 June 2024, the Group estimates the recoverable amounts of the individual assets based on higher of fair value less costs of disposal and value in use. Based on the result of assessments, an impairment of RMB239,180 thousand (31 December 2023: RMB238,489 thousand) and RMB714,479 thousand (31 December 2023: RMB714,479 thousand) has been recognised against the carrying amount of certain prepayment for construction and advance payment and earning right related to land consolidation respectively.
- (c) In August 2018, the Group acquired 70% equity interest in Yintai (Yongqing) New City Investment Co., Ltd. (銀泰(永清)新城投資有限公司) at a consideration of RMB1 billion, and acquired an earning right thereof related to land consolidation simultaneously.
- (d) As at 30 June 2024 and 31 December 2023, prepayments for purchasing properties were mainly prepayments paid by the Group for the purchase of several commercial properties and office buildings this period/year.
- (e) As at 30 June 2024 and 31 December 2023, others included sale proceed collected and paid on behalf of the tenants of approximately RMB177,055 thousand (31 December 2023: RMB278,671 thousand).

16. RESTRICTED BANK DEPOSITS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Deposits pledged for banking facilities	244,182	64,863
Other restricted bank deposits	305,948	379,390
	550,130	444,253

As at 30 June 2024, restricted bank deposits of approximately RMB214,525 thousand (31 December 2023: RMB275,655 thousand) was frozen.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

17. BANK BALANCES AND CASH

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Cash	8,915	27,202
Bank deposits with original maturity within three months or less	2,344,325	2,479,598
Cash and cash equivalents	2,353,240	2,506,800
Bank deposits with original maturity over three months	27,085	23,000
Bank balances and cash	2,380,325	2,529,800

18. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables (note a)	1,511,060	2,054,926
Bills payables	66,594	13,552
Advance from tenants	271,501	905,877
Deposit received	3,000,800	3,063,003
Amounts due to partners (note b)	8,297,268	3,396,591
Amounts payable for property purchases	278,735	192,910
Amounts payable to construction contractors	299,319	329,862
Payroll payable	396,056	455,238
Other tax payable	426,503	556,874
Others (note c)	1,590,439	1,735,713
	16,138,275	12,704,546
Less: Current portion	(15,643,925)	(12,194,197)
Non-current portion (note b)	494,350	510,349

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18. TRADE AND OTHER PAYABLES (continued)

Notes:

- (a) An aging analysis of the trade payables as at the end of the reporting period is as follow:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 1 year	839,268	1,139,438
1 to 2 years	295,491	503,801
2 to 3 years	231,066	266,271
Over 3 years	145,235	145,416
	1,511,060	2,054,926

- (b) Amounts due to partners included the borrowings provided by the minority shareholders of certain subsidiaries of the Group, and shall be repaid by agreements after the completion of relevant cooperation projects with fund surpluses or be repaid on demands after one year. Therefore, such amounts of approximately RMB494,350 thousand (31 December 2023: RMB510,349 thousand) shall be recognised as non-current portion payables.
- (c) Other payables mainly represent the interest payables and accrual expense of approximately RMB144,113 thousand and RMB353,056 thousand respectively (31 December 2023: RMB103,114 thousand and RMB332,794 thousand respectively).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

19. BANK AND OTHER BORROWINGS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank and other borrowings:		
Secured (note a)	23,078,870	26,074,003
Unsecured (note a)	1,067,031	3,431,749
Commercial mortgage-backed securities (note b)	5,428,056	3,184,527
	29,573,957	32,690,279
Less: Current portion	(9,782,460)	(12,976,625)
Non-current portion	19,791,497	19,713,654
Fixed-rate borrowings	15,498,175	16,269,128
Floating-rate borrowings	14,075,782	16,421,151
	29,573,957	32,690,279
The borrowings are repayable:		
Within one year or on demand	9,782,460	12,976,625
More than one year but not exceeding two years	2,737,898	3,898,734
More than two years but not exceeding five years	11,927,484	9,015,530
More than five years	5,126,115	6,799,390
	29,573,957	32,690,279
Less: Amount due within one year shown under current liabilities	(9,782,460)	(12,976,625)
Amount due after one year	19,791,497	19,713,654

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

19. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) As at 30 June 2024 and 31 December 2023, no single borrowing is individually material, and terms and conditions of all borrowings are presented by appropriate groupings.
- (b) The Company issued the home furnishing shopping mall asset-backed securities, namely "Red Star Macalline Asset-Backed Special Project", on 12 July 2018. Such asset-backed special project was pledged with the assets of two shopping malls of the Group in Beijing and Yantai and their rental income rights, which included Class A Preferred Securities (securities abbreviation: "18 Hongmei A1", securities code: 156486), Class B Preferred Securities (securities abbreviation: "18 Hongmei A2", securities code: 156487) and subordinated Securities (securities abbreviation: "18 Hongmei", securities code: 156488). 18 Hongmei A1 had an issuance size of RMB2,289 million, with an annualised return of 5.80% and a maturity of 18 years, the principal and interest of which shall be repaid annually. 18 Hongmei A2 had an issuance size of RMB211 million, with an annualised return of 6.30% and a maturity of 18 years, the principal of which shall be repaid in a one-off manner upon maturity. The Group, as a posterior investor of 18 Hongmei, subscribed RMB100 million of 18 Hongmei with no annualised return and a maturity of 18 years. The securities ended its first 3-year sell-back period in December 2021 and will enter its second 3-year sell-back period in November 2024. The principal amount of approximately RMB1,797,602 thousand (31 December 2023: RMB2,214,000 thousand) was classified as current liabilities as at 30 June 2024.

On 25 January 2024, the Company issued home furnishing mall asset-backed securities, 'Red Star Macalline Shanghai Global Home Furnishing Store No. 1 South Hall Asset-Backed Special Plan'. The asset-backed special plan is secured by the property rights of the home furnishing malls located at No. 1058 and No. 1108 Zhenbei Road, and No. 558, No. 558-2, No. 558-3 and No. 598 North Nuijiang Road, and the land use rights within their occupancy area, and the special plan comprises a senior and a subordinate tranche. The preferred issue size is RMB3.64 billion, with an annualised return of 4.2% and a maturity of 17.85 years, with fixed quarterly repayments of principal and interest. The subordinated issue size is RMB0.01 billion, with no fixed rate of return, obtaining excess returns, a maturity of 17.85 years and a one-time repayment of principal at maturity. Of this amount, RMB54,600,000 was classified as current liabilities as at 30 June 2024.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at 30 June 2024 % (Unaudited)	As at 31 December 2023 % (Audited)
Bank borrowings:		
Fixed rate bank borrowings	3.00-15.40	3.80-15.40
Floating rate bank borrowings	3.88-8.00	4.25-8.00

The floating rate bank borrowings are arranged at the interest rate based on benchmark interest rates of the People's Bank of China.

The Group's bank and other borrowings are denominated in RMB.

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For the six months ended 30 June 2024

20. BONDS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<i>USD Bonds:</i>		
USD Bonds of 2022 (3-year) (note a)	1,802,171	1,786,370
	1,802,171	1,786,370
Less: – Interest of bonds due within one year	(29,733)	(27,858)
Non-current portion of bonds	1,772,438	1,758,512

Note:

- (a) During the year ended 31 December 2022, the Group issued United States dollars-denominated bonds totaling US\$249.7 million with fixed interest rate, at a coupon rate of 5.20%. The bond is matured in 3 years, and interest shall be paid semi-annually. The bond is pledged by certain properties, future income from certain shopping malls and equity share of some subsidiaries.

The movements of the Bonds are set out below:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
At the beginning of the period/year	1,786,370	2,312,488
Redemption of Medium-term notes of 2020 (First tranche)	–	(500,000)
Redemption of Bonds Public offering of Corporate Bonds of 2019 (First tranche) (Type 2)	–	(829)
Redemption of Bonds Public offering of Corporate Bonds of 2020 (First tranche)	–	(30,000)
Interests and issue cost amortised	50,916	96,173
Interest paid during the year	(46,126)	(120,951)
Exchange difference	11,011	29,489
At end of the period/year	1,802,171	1,786,370

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For the six months ended 30 June 2024

21. OTHER NON-CURRENT LIABILITIES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
One-off discount received on pre-purchase of property service for 20 years (note a)	815,239	851,878
Others (note b)	139,043	165,113
Less: Current portion	(73,093)	(73,277)
	881,189	943,714

Notes:

- (a) The Group entered into the agreement with CIFI Ever Sunshine (Hainan) Investment Company Limited (旭輝永升(海南)投資有限公司) (hereinafter referred to as "CIFI Ever Sunshine") pursuant to which the property services of the Group's 71 Portfolio Shopping Malls in the next 20 years will be provided by Shanghai Macalline Property Management Service Co., Ltd. (上海美凱龍物業管理服務有限公司), a subsidiary of CIFI Ever Sunshine, and a discount will be charged. The discount shall be apportioned during the subsequent period of receiving property services to offset the cost of property services. As of 30 June 2024, the unamortised balance totaled RMB815,239 thousand (31 December 2023: RMB851,878 thousand), of which RMB73,093 thousand (31 December 2023: RMB73,277 thousand) will be amortised in next financial year.
- (b) The Group signed an agreement with Beijing Hongjing Parking Management Co., Ltd. 北京鴻景泊興停車管理有限公司 (hereinafter referred to as "Beijing Hongjing") during the year ended 31 December 2022, stipulating that Beijing Hongjing will obtain the long-term lease rights or income rights of the parking lots of 36 self-operated shopping malls of the Group for the next 6 years. The transaction consideration is RMB312,846 thousand, of which RMB139,043 thousand (31 December 2023: RMB165,113 thousand) is included in non-current liabilities, and the revenue will be recognised in profit or loss from the period July 2025 to February 2028.

22. SHARE CAPITAL

The movements to the Company's issued share capital during the period ended 30 June 2024 is as follows:

	Number of H Shares '000	Number of A Shares '000	Share capital RMB'000
As at 1 January 2024 (audited), 30 June 2024 (unaudited)	741,286	3,613,447	4,354,733

All shares issued are of par value RMB1.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

23. COMMITMENTS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contracted but not provided for in the condensed consolidated financial statements:		
Capital expenditure in respect of acquisition and construction of investment properties contracted for but not provided in the condensed consolidated financial statements	738,846	1,151,337
Investment commitments	308,688	353,688
	1,047,534	1,505,025

24. FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES (continued)

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 30 June 2024

	Level 1 RMB'000 (Unaudited)	Level 2 RMB'000 (Unaudited)	Level 3 RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets at FVTPL				
– Debt instrument investments	–	–	53,855	53,855
– Funds	–	–	81,111	81,111
– Equity instrument investments	–	–	163,605	163,605
Equity instruments at FVTOCI	441,528	2,787	1,050,456	1,494,771

Fair value hierarchy as at 31 December 2023

	Level 1 RMB'000 (Audited)	Level 2 RMB'000 (Audited)	Level 3 RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at FVTPL				
– Debt instrument investments	–	–	489,210	489,210
– Funds	–	–	81,111	81,111
– Equity instrument investments	–	–	260,025	260,025
Equity instruments at FVTOCI	622,152	2,746	1,132,733	1,757,631

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES (continued)

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

Financial assets/ financial liabilities	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques and significant unobservable inputs	Effect on fair value for increase of key input
1) Debt instrument investments	53,855	489,210	Level 3	Discounted cash flow approach Risk-adjusted discount Rate: 6% (31 December 2023: 6%) (note a)	Decrease
2) Funds	81,111	81,111	Level 3	Discounted cash flow approach Risk-adjusted discount Rate: 8% (31 December 2023: 8%)	Decrease
3) Equity instrument investments – FVTPL	163,605	260,025	Level 3	Discounted cash flow approach Risk-adjusted discount Rate: 8%-14% (31 December 2023: 8%-14%) (note b)	Decrease
4) Equity instrument investments – FVTOCI	1,050,456	1,132,733	Level 3	Comparable company approach Liquidity discount rate: 79%-86% (31 December 2023: 80%-88%) (note c)	Decrease

Notes:

- (a) The higher the discount rate, the lower the fair value.
- (b) An increase in the discount rate would result in a decrease in fair value measurement of the Equity instrument investment – FVTPL, and vice versa.
- (c) A slight increase in the liquidity discount rate would result in a significant decrease in the fair value of the equity instrument investments – FVTOCI and vice versa.

There were no transfers between Level 1 and 2 during the period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES (continued)

Reconciliation measurements of Level 3 fair value

	Equity instruments at FVTOCI <i>RMB'000</i>	Debt instruments at FVTPL <i>RMB'000</i>	Equity instruments at FVTPL <i>RMB'000</i>
As at 1 January 2023 (Audited)	1,520,120	921,838	332,275
Included in profit or loss	–	15,406	(60,150)
Included in other comprehensive income	(63,115)	–	–
Additions	15,534	88,060	–
Disposal/settlements	(339,806)	(454,983)	(12,100)
As at 31 December 2023 and 1 January 2024 (Audited)	1,132,733	570,321	260,025
Included in profit or loss	–	(61)	(85,470)
Included in other comprehensive income	(67,273)	–	–
Additions	–	24,221	–
Disposal/settlements	(15,004)	(29)	(10,950)
Settled	–	(459,486)	–
As at 30 June 2024 (Unaudited)	1,050,456	134,966	163,605

Note: There were no transfers into or out of Level 3 during the period.

25. RELATED PARTY TRANSACTIONS

1. Major Transactions between the Group and Related Parties

The following related party transactions are necessary for the development of the group's business. The transactions between the group and related parties are related to daily operations. The transactions follow the principles of openness, fairness and fairness. The transactions between both parties are settled at fair market prices.

(1) Purchase and sale of goods, provision and receipt of services from related parties

Purchase of goods and receipt of services from related parties

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Sunsea Parking Holdings Ltd. (陽光海天停車控股有限公司) and its subsidiaries	Purchase of goods	1,261	256
Xiamen C&D Wine & Spirits Co., Ltd (廈門建發美酒匯酒業有限公司)	Purchase of goods	471	—
Shanghai C&D Wine Sales Management Co., Ltd (上海建發酒業銷售管理有限公司)	Purchase of goods	299	—
Xiamen Jianfa Hengrong Supply Chain Co., Ltd (廈門建發恒融供應鏈有限公司)	Purchase of goods	432	—
Xiamen Jianfa International Wine Group Co., Ltd (廈門建發國際酒業集團有限公司)	Purchase of goods	143	—
Xiamen C&D Wine Sales & Management Co., Ltd (廈門建發酒業銷售管理有限公司)	Purchase of goods	76	50
Shanghai Tianhe Smart Home Technology Co., Ltd (上海天合智慧科技股份有限公司) and its subsidiaries	Purchase of goods	11	—
Alibaba Cloud Computing Co. Ltd (阿里雲計算有限公司)	Purchase of goods	7	454

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shanghai Red Star Cloud Computing Technology Co., Ltd (上海紅星雲計算科技有限公司)	Purchase of goods	–	7,609
CSSC Cruise Industry Development (Shanghai) Co., Ltd (中船郵輪產業發展(上海)有限公司)	Purchase of goods	–	174
Huizhou Better Life Furniture Co., Ltd (惠州美好生活傢俱有限公司)	Purchase of goods	–	90
Zhejiang Longkai Film Co., Ltd (浙江龍凱影業有限公司)	Purchase of goods	–	35
Chongqing Zerui Commercial Management Co., Ltd (重慶澤瑞商業管理有限公司)	Purchase of goods	–	30
Asia New Materials (Beijing) Building Materials Co., Ltd (亞細亞新材(北京)建築材料有限公司)	Purchase of goods	–	10
Taobao (China) Software Co., Ltd (淘寶(中國)軟件有限公司)	Purchase of goods	–	3
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	Purchase of goods	–	2
		2,700	8,713

Note: Commodity purchases from related parties: during the period, the Group conducted commodity transactions with related parties based on market prices.

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
CSSC Cruise Industry Development (Shanghai) Co., Ltd (中船郵輪產業發展(上海)有限公司)	Settlement of interest income from deposit	88	91
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Settlement of interest income from deposit	16	22
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Settlement of interest income from deposit	3	3
		107	116

Note: Payment of interest on deposits to related parties: during the period, the Group conducted transactions with related parties based on market prices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

		Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
	Details of Transactions		
Shandong Inzone Green Home Co., Ltd and its subsidiaries (山東銀座家居有限公司)	Joint marketing	2,207	2,704
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公司)	Joint marketing	1,163	644
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Joint marketing	591	193
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Joint marketing	238	248
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	Joint marketing	89	62
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Joint marketing	63	–
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	Joint marketing	–	160
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	Joint marketing	–	77
		4,351	4,088

Note: Related parties provided joint marketing services for the Group: during the period, the Group conducted transactions with related parties based on market prices.

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Costs for advertising space lease/ Administrative expenses	163	94
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Costs for advertising space lease/ Administrative expenses	76	156
Shandong Inzone Green Home Co., Ltd (山東銀座家居有限公司) and its subsidiaries	Costs for advertising space lease/ Administrative expenses	39	101
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Costs for advertising space lease/ Administrative expenses	8	105
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd (徐州紅星美凱龍全球家居生活廣場有限公司)	Costs for advertising space lease/ Administrative expenses	–	106
Xuzhou Red Star Macalline International Furniture & Decoration City Co., Ltd (徐州紅星美凱龍國際傢俱裝飾城有限公司)	Costs for advertising space lease/ Administrative expenses	–	71
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	Costs for advertising space lease/ Administrative expenses	–	40
		286	673

Note: Related parties provided the Group with advertising space leasing/management services: during the period, the Group entered into transactions with related parties based on market prices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries	Receipt of services	335,408	339,070
Zhejiang Tmall Technology Co., Ltd (浙江天貓技術有限公司)	Receipt of services	12,916	11,283
Shanghai Jiazhan Construction Engineering Co., Ltd (上海嘉展建築裝潢工程有限公司)	Receipt of services	2,005	2,090
Hangzhou Alimama Software Service Co., Ltd (杭州阿里媽媽軟件服務有限公司)	Receipt of services	442	3,802
Beijing Allgf Cultural and Scientific Consultation Co., Ltd (北京國富縱橫文化科技諮詢股份有限公司)	Receipt of services	434	841
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Receipt of services	124	–
Zhengzhou Xingbo Real Estate Development Co., Ltd (鄭州星鉑房地產開發有限公司)	Receipt of services	217	–
Shanghai Red Star Cloud Computing Technology Co., Ltd (上海紅星雲計算科技有限公司)	Receipt of services	70	6,549
Taobao (China) Software Co., Ltd (淘寶(中國)軟件有限公司)	Receipt of services	49	49

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Purchase of goods and receipt of services from related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Chongqing Jinxiao Xingyue Home Co., Ltd (重慶金曉星悅家居有限公司)	Receipt of services	29	–
Alibaba Cloud Computing Co., Ltd (阿里雲計算有限公司)	Receipt of services	23	27
Shanghai Xingzhiyu Commercial Management Co., Ltd (上海星之域商業經營管理有限公司)	Receipt of services	–	7,585
Shanghai Xincheng'an Construction Co., Ltd (上海鑫誠安建設有限公司)	Receipt of services	–	592
Hangzhou Ant Nest Supply Chain Service Co., Ltd (杭州蟻巢供應鏈服務有限公司)	Receipt of services	–	264
Shanghai Macalline Aijia Property Management Consulting Co., Ltd (上海美凱龍愛家房地產管理諮詢有限公司)	Receipt of services	–	242
Alibaba (China) Technology Co., Ltd (阿里巴巴(中國)網絡技術有限公司)	Receipt of services	–	112
Zhejiang Alibaba Communication Technology Co., Ltd (浙江阿里巴巴通信技術有限公司)	Receipt of services	–	104
Alibaba (Sichuan) Network Technology Co., Ltd (阿里(四川)網絡技術有限公司)	Receipt of services	–	8
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Receipt of services	–	5
		351,717	372,623

Note: Related parties provided labor services for the Group: during the period, the Group conducted transactions with related parties based on market prices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries	Sales of goods	40,173	–
Lan Zhou Red Star Business Management Co., Ltd (蘭州紅星商業管理有限公司)	Sales of goods	506	473
Shandong Inzone Green Home Co., Ltd and its subsidiaries (山東銀座家居有限公司及其附屬公司)	Sales of goods	131	21
Yunnan Yuanzhupinwei Property Management Co., Ltd (雲南遠擇品唯物業管理有限公司)	Sales of goods	112	205
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Sales of goods	99	141
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公司)	Sales of goods	84	44
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	Sales of goods	47	51
Shanghai Huojing Business Management Company Limited and its subsidiaries (上海或京商業管理有限公司及其附屬公司)	Sales of goods	47	24
Shanghai Weilaishi Decoration Technology Co., Ltd (上海威來適裝飾科技有限公司)	Sales of goods	41	62
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Sales of goods	32	37

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	Sales of goods	22	–
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	Sales of goods	16	56
Hangzhou Noble Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司)	Sales of goods	9	9
Shanghai Tianhe Smart Home Technology Company Limited and its subsidiaries (上海天合智慧科技股份有限公司及其附屬公司)	Sales of goods	1	12
Danyang Rongjin Hongxing Real Estate Development Co., Ltd (丹陽市融錦宏星置業發展有限公司)	Sales of goods	–	1,709
Shenzhen Red Star Macalline Business Management Co., Ltd (深圳紅星美凱龍商業管理有限公司)	Sales of goods	–	73
Qianzhi (Beijing) Culture Development Co., Ltd (乾智(北京)文化發展有限公司)	Sales of goods	–	35
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	Sales of goods	–	34
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Sales of goods	–	18
Shengbao (Shanghai) Intelligent Technology Co., Ltd (晟葆(上海)智慧科技有限公司)	Sales of goods	–	2
		41,320	3,006

Note: Sales of goods to related parties: during the period, the Group conducted transactions with related parties based on market prices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司)	Rendering of service	31,656	32,551
Quzhou Huicheng Ole Business Management Company Limited (衢州市慧城奧萊商業管理有限公司)	Rendering of service	12,977	145,270
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	Rendering of service	2,995	4,810
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	Rendering of service	647	–
Shanghai Red Star Macalline Co., Ltd. (上海紅星美凱龍置業有限公司)	Rendering of service	457	40
Shanghai Aegean Commercial Group Co., Ltd (上海愛琴海商業集團股份有限公司)	Rendering of services	348	–
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Rendering of service	221	813
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	Rendering of service	212	–
Wuhan Yiran Property Management Co., Ltd (武漢怡然物業管理有限公司)	Rendering of service	121	–
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	Rendering of service	119	239
Hubei Yiyue Property Management Company Limited (湖北怡悅物業管理有限公司)	Rendering of service	89	–
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	Rendering of service	42	72

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shanghai Huojing Business Management Co Ltd and its subsidiaries (上海或京商業管理有限公司)	Rendering of service	34	57
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Rendering of service	23	10
Shanghai Lihao Creative Design Co., Ltd (上海麗浩創意設計有限公司)	Rendering of service	8	–
Yangzhou Xinglong Real Estate Development Co., Ltd (揚州星龍房地產開發有限公司)	Rendering of service	–	13,961
Shanghai Aegean Business Management Co., Ltd (上海愛琴海商務管理有限公司)	Rendering of service	–	2,415
Shanghai Xingzhiyu Management Co., Ltd (上海星之域商業經營管理有限公司)	Rendering of services	–	1,013
Changzhou Aegean Ole Business Management Co., Ltd (常州愛琴海奧萊商業管理有限公司)	Rendering of service	–	353
Shanghai Huangpu Red Star Microfinance Co., Ltd (上海黃浦紅星小額貸款有限公司)	Rendering of service	–	15
Shengbao (Shanghai) Intelligent Technology Co.,Ltd (晟葆(上海)智慧科技有限公司)	Rendering of service	–	11
Shanghai Tianhe Smart Home Technology Company Limited and its subsidiaries (上海天合智慧科技股份有限公司)	Rendering of service	–	2
		49,949	201,632

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd (徐州紅星美凱龍全球家居生活廣場有限公司)	Brand management service	2,613	1,462
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	Brand management service	2,123	2,123
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公司)	Brand management service	1,415	1,415
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd (揚州紅星美凱龍全球家居生活廣場置業有限公司)	Brand management service	1,415	1,415
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	Brand management service	943	943
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	Brand management service	943	–
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Brand management service	849	849
Xuzhou Red Star Macalline International Furniture Decoration City Co.,Ltd (徐州紅星美凱龍國際傢俱裝飾城有限公司)	Brand management service	23	896
		10,324	9,103

Note: Provision of brand management services for related parties: during the period, the Group conducted transactions with related parties based on market prices.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Shanghai CTME Economy & Trade Development Co., Ltd (上海中貿美凱龍經貿發展有限公司)	Service income	1,525	–
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公司)	Service income	1,469	–
Hangzhou Nabel Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司)	Service income	848	6,980
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	Service income	428	164
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	Service income	256	–
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	Service income	151	191
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	Service income	66	107
Wuhu Minghui Commercial Management Company Limited (蕪湖明輝商業管理有限公司)	Service income	47	28
Shanghai Tianhe Smart Home Technology Company Limited and its subsidiaries (上海天合智慧科技股份有限公司)	Service income	15	29
Wuhu Meihe Asset Management Company Limited (蕪湖美和資產管理有限公司)	Service income	–	4,340
Zhejiang Tmall Technology Co., Ltd (浙江天貓技術有限公司)	Service income	–	998
Mex Smart Home (Shenzhen) Co., Ltd (美時智慧家居(深圳)有限公司)	Service income	–	877
Guangdong Weidu Legal Home Furnishing Co., Ltd (廣東威法定制家居股份有限公司)	Service income	–	94
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	Service income	–	47
		4,805	13,855

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(1) Purchase and sale of goods, provision and receipt of services from related parties (continued)

Sales of goods and rendering of services to related parties (continued)

	Details of Transactions	Six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Chongqing Xingyuan Kaijian Commercial Management Company Limited (重慶星遠凱建商業管理有限公司)	Design consultation income	1,094	–
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	Design consultation income	119	–
Yiwu Meilong Real Estate Co., Ltd (義烏美龍置業有限公司)	Design consultation income	–	943
Xuzhou Maoxing Real Estate Co., Ltd (徐州茂星置業有限公司)	Design consultation income	–	425
Luohe Starway Real Estate Co., Ltd (漯河星匯置業有限公司)	Design consultation income	–	94
		1,213	1,462

	Details of Transactions	Six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Xiamen C&D Finance Guarantee Company Limited (廈門建發融資擔保有限公司)	Guarantee fee	5	–

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(2) Leases with related party

As lessors

	Type of leased assets	Six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	Shop(s) in shopping mall	1,869	2,413
Hangzhou Nabel Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司)	Shop(s) in shopping mall	1,864	7,738
Shanghai Huojing Business Management Co Ltd and its subsidiaries (上海或京商業管理有限公司及其附屬公司)	Shop(s) in shopping mall	1,393	1,316
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	Shop(s) in shopping mall	371	287
Beijing Hema Network Technology Co., Ltd (北京盒馬網絡科技有限公司)	Shop(s) in shopping mall	296	297
Shanghai Tianhe Smart Home Technology Company Limited and its subsidiaries (上海天合智慧科技股份有限公司及其附屬公司)	Shop(s) in shopping mall	190	384
Hangzhou Nobel Business Services Co., Ltd (杭州諾貝爾商業服務有限公司)	Shop(s) in shopping mall	31	–
Shengbao (Shanghai) Intelligent Technology Co., Ltd (晟葆(上海)智慧科技有限公司)	Shop(s) in shopping mall	–	288
Anka Household Products (Shanghai) Co., Ltd (安咖家居用品(上海)有限公司)	Shop(s) in shopping mall	–	80
Mex Smart Home (Shenzhen) Co., Ltd (美時智慧家居(深圳)有限公司)	Shop(s) in shopping mall	–	46
Shanghai Red Star Macalline Property Co., Ltd (上海紅星美凱龍置業有限公司)	Office	1,416	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(2) Leases with related party (continued)

As lessors (continued)

	Type of leased assets	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Shanghai Aegean Commercial Group Co., Ltd (上海愛琴海商業集團股份有限公司)	Office	1,169	–
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	Office	712	–
Shanghai Lihao Creative Design Co., Ltd (上海麗浩創意設計有限公司)	Office	27	–
Changzhou Longyao Equity Investment Management Co., Ltd (常州龍耀股權投資管理有限公司)	Office	17	17
Shanghai Xingzhiyu Commercial Management Co., Ltd (上海星之域商業經營管理有限公司)	Office	–	15,382
Zhengzhou Xingbo Real Estate Development Co., Ltd (鄭州星鉑房地產開發有限公司)	Office	–	76
Sunsea Parking Holdings Ltd and its subsidiaries (陽光海天停車控股有限公司)	Parking garage	24,664	29,506
Shanghai Red Star Macalline Property Co., Ltd (上海紅星美凱龍置業有限公司)	Parking garage	37	–
Shanghai Aegean Commercial Group Co., Ltd (上海愛琴海商業集團股份有限公司)	Parking garage	13	–
Shanghai Xinhua Chengcheng Asset Management Co., Ltd (上海新華成城資產管理有限公司)	Parking garage	–	6,349
Shanghai Red Star Parking Management Co., Ltd (上海紅星停車管理有限公司)	Parking garage	–	667
		34,069	64,846

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(2) Leases with related party (continued)

As lessees

	Type of leased assets	Six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Changzhou Red Star Furnishing City (常州市紅星裝飾城)	Shop(s) in shopping mall	11,641	N/A
Qianzhi (Beijing) Culture Development Co., Ltd (乾智(北京)文化發展有限公司)	Shop(s) in shopping mall	–	458
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	Shop(s) in shopping mall	–	72
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	Shop(s) in shopping mall	21	60
Yunnan Yuanzhupinwei Property Management Co., Ltd (雲南遠擇品唯物業管理有限公司)	Car parks	711	711
CHEN Shuhong (陳淑紅)	Staff Quarters	–	57
		12,373	1,358

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(3) Guarantees from related parties

Receiving guarantees from related parties

As at 30 June 2024

	Amount of guarantees RMB'000 (Unaudited)	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 1)	43,200	9/8/2022	9/7/2024	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 2)	750,000	10/23/2020	10/22/2032	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 3)	450,000	6/16/2020	6/16/2030	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 4)	412,500	12/26/2020	12/25/2035	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 5)	88,000	12/19/2019	12/19/2029	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 6)	204,000	1/17/2020	1/17/2030	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 7)	276,808	6/20/2019	6/20/2029	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 8)	167,000	1/15/2020	9/17/2026	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 9)	312,500	12/27/2019	12/27/2031	No

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(3) Guarantees from related parties (continued)

Receiving guarantees from related parties (continued)

As at 30 June 2024 (continued)

	Amount of guarantees RMB'000 (Unaudited)	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 10)	588,000	3/25/2020	3/25/2030	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 11)	48,750	6/8/2020	12/10/2030	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 12)	448,700	7/1/2019	6/20/2029	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 13)	220,000	7/13/2018	7/10/2028	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 14)	300,000	12/24/2021	12/23/2024	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 15)	500,000	7/7/2022	7/6/2025	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 16)	200,000	8/20/2021	8/26/2024	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 17)	173,482	11/28/2019	11/27/2029	No
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (note 18)	264,600	3/20/2020	3/20/2028	No

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(3) Guarantees from related parties (continued)

Receiving guarantees from related parties (continued)

As at 30 June 2024 (continued)

	Amount of guarantees RMB'000	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed
	(Unaudited)			
CHE Jianxing (車建興) (note 19)	35,000	12/15/2017	12/15/2027	No
CHE Jianxing (車建興) (note 20)	1,350,616	3/3/2020	3/2/2030	No
CHE Jianxing (車建興) (note 21)	152,000	6/17/2016	6/16/2026	No
CHE Jianxing (車建興) (note 22)	119,500	1/5/2017	6/20/2025	No
CHE Jianxing、CHEN Shuhong (車建興、 陳淑紅) (note 23)	165,000	12/28/2022	11/29/2026	No
CHE Jianxing、CHEN Shuhong (車建興、 陳淑紅) (note 24)	1,680,000	6/15/2022	6/15/2037	No
CHE Jianxing、CHEN Shuhong (車建興、 陳淑紅) (note 25)	1,772,438	8/17/2022	3/17/2026	No
CHE Jianxing、CHEN Shuhong (車建興、 陳淑紅) (note 26)	771,765	3/29/2023	3/20/2033	No
Xiamen C&D Inc. (廈門建發股份有限公司) (note 27)	3,619,160	1/25/2024	11/12/2041	No

Note 1: The loan was also secured by an investment property of a subsidiary of the Group, Changzhou Macalline International Computer & Home Appliances Decoration City Company Limited.

Note 2: The loan was also secured by an investment property of Tianjin Red Star Macalline International Home Expo Company Limited.

Note 3: The borrowings were also secured by the investment properties of a subsidiary of the Group, Suzhou Industrial Park Red Star Macalline Home Furnishing Company Limited.

Note 4: The borrowings were also secured by the investment properties of Shanghai Red Star Macalline Star Furniture Company Limited.

Note 5: The borrowings were also secured by an investment property of Zhengzhou Red Star Macalline International Home Furnishing Company Limited.

Note 6: The loan was also secured by an investment property of Zhengzhou Red Star Macalline International Home Furnishing Company Limited.

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(3) Guarantees from related parties (continued)

Receiving guarantees from related parties (continued)

As at 30 June 2024 (continued)

- Note 7: The loan was also secured by an investment property of Zhengzhou Red Star Macalline International Home Furnishing Company Limited.
- Note 8: The borrowings were also secured by the investment properties of Nanchang Red Star Macalline Global Furniture Expo Centre Limited, a subsidiary of the Group.
- Note 9: The loan was also secured by the investment properties of Ningbo Red Star Macalline Home Shopping Plaza Company Limited.
- Note 10: The borrowings were also secured by the investment properties of Nanning Red Star Macalline World Expo Home Furnishing Exhibition Centre Company Limited, a subsidiary of the Group.
- Note 11: The loan was also secured by the fixed assets of Shanghai Lai Cheng Enterprise Management Company Limited.
- Note 12: The borrowings were also secured by the investment properties of Hangzhou Weilang Mechanical and Electrical Hardware Market Company Limited.
- Note 13: The loan was also secured by the investment properties of Suzhou Red Star Macalline World Expo Home Plaza Company Limited.
- Note 14: The borrowings were also secured by the investment properties of Changzhou World Furniture & Furniture Plaza Company Limited, a subsidiary of the Group.
- Note 15: The borrowings were also secured by the investment properties of Hefei Red Star Macalline World Expo Home Furnishing Plaza Limited, a subsidiary of the Group.
- Note 16: The borrowings were also secured by the investment properties of Changzhou Hongyang Home Life Plaza Company Limited, a subsidiary of the Group.
- Note 17: The borrowings were also secured by the investment properties of Liuzhou Red Star Macalline Home Furnishing Company Limited.
- Note 18: The borrowings were also secured by the investment properties of Foshan Junda Enterprise Management Company Limited, a subsidiary of the Group.
- Note 19: The borrowings were also secured by the investment properties of Shanghai Shanhai Artist Club Company Limited.
- Note 20: The borrowings were also secured by the investment properties of the Group's subsidiary, Shanghai Shanhai Artist Club Company Limited.
- Note 21: The borrowings were also secured by the investment properties of Chongqing Red Star Macalline Expo Home Life Plaza Limited, a subsidiary of the Group.
- Note 22: The borrowings were also secured by the investment properties of Wuxi Red Star Macalline Home Life Plaza Limited, a subsidiary of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

1. Major Transactions between the Group and Related Parties (continued)

(3) Guarantees from related parties (continued)

Receiving guarantees from related parties (continued)

As at 30 June 2024 (continued)

Note 23: The borrowings were also secured by the investment properties of Chengdu Tianfu New District Red Star Macalline World Trade Home Furnishing Company Limited.

Note 24: The loans were also secured by investment properties of Beijing Red Star Macalline International Furniture and Building Materials Plaza Company Limited and Wuhan Red Star Macalline World Expo Home Plaza Development Company Limited, subsidiaries of the Group.

Note 25: The loans were also secured by investment properties of the Group's subsidiaries, Tianjin Red Star Macalline Furniture & Home Decoration Plaza Company Limited and Chongqing Xing Kaike Home Furnishing Company Limited.

Note 26: The loan was also secured by the investment properties of Jinan Red Star Macalline World Expo Home & Living Plaza Company Limited, a subsidiary of the Group.

Note 27: The loan is also secured by an investment property of Shanghai Xinwei Real Estate Company Limited.

2. Amounts due from/to related parties

	As at 30 June 2024		As at 31 December 2023	
	Book	Bad debt	Book	Bad debt
	balance	allowance	balance	allowance
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Accounts receivable				
Yangzhou Xinglong Real Estate Development Co., Ltd (揚州星龍房地產開發有限公司)	45,351	45,351	45,351	45,351
Shanghai Xinhua Chengcheng Asset Management Co., Ltd (上海新華成城資產管理有限公司)	40,000	40,000	40,000	40,000
Shanghai Xingzhiyu Commercial Management Co., Ltd (上海星之域商業經營管理有限公司)	32,525	32,525	46,291	46,291
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	–	–	13,000	13,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Accounts receivable (continued)				
Danyang Rongjin Hongxing Real Estate Development Co., Ltd (丹陽市融錦宏星置業發展有限公司)	9,819	442	10,412	469
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries	7,599	342	23,233	1,045
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	4,723	2,469	3,814	1,556
Shenzhen Huasheng Home Furnishing Group Co., Ltd (深圳華生大家居集團有限公司)	4,000	4,000	4,000	4,000
Xuzhou Red Star Macalline Global Home Furnishings Plaza Company Limited (徐州紅星美凱龍全球家居生活廣場有限公司)	3,825	1,129	1,056	288
Yiwu Meilong Real Estate Co., Ltd (義烏美龍置業有限公司)	3,730	1,545	3,730	1,011
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	3,643	476	3,805	454
Zhejiang Zhongguang Electric Appliance Group Co., Ltd (浙江中廣電器集團股份有限公司)	3,500	3,500	3,500	3,500
Cixi Xingkai Real Estate Co., Ltd (慈溪星凱置業有限公司)	3,333	838	3,333	723
Nanchang Haoran Real Estate Co., Ltd (南昌浩然置業有限公司)	2,530	1,793	2,530	2,530
Changchun Red Star Macalline Real Estate Development Co., Ltd (長春紅星美凱龍房地產開發有限公司)	2,495	2,495	2,495	139
Ningbo Kailong Property Company Limited (寧波凱龍置業有限公司)	2,469	225	2,291	127
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	2,350	794	1,350	368

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance <i>RMB'000</i> (Unaudited)	Bad debt allowance <i>RMB'000</i> (Unaudited)	Book balance <i>RMB'000</i> (Audited)	Bad debt allowance <i>RMB'000</i> (Audited)
Accounts receivable (continued)				
Hengshui Xinglong Real Estate Development Co., Ltd (衡水星龍房地產開發有限公司)	2,019	1,204	2,123	185
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	1,804	387	1,804	332
Xuzhou Maoxing Real Estate Co., Ltd (徐州茂星置業有限公司)	1,750	501	1,750	257
Tianjin Xingkai Real Estate Development Co., Ltd (天津星凱房地產開發有限公司)	1,650	1,650	1,650	1,650
Changzhou Jintan Weiyi Construction Engineering Co., Ltd (常州市金壇維億建設工程有限公司)	1,500	1,500	1,500	1,500
Xuzhou Red Star Macalline International Furniture Decoration City Co., Ltd (徐州紅星美凱龍國際傢俱裝飾城有限公司)	1,494	870	1,470	506
Shanghai Red Star Macalline Property Co., Ltd (上海紅星美凱龍置業有限公司)	1,490	67	6	–
Shanghai Macalline Aijia Real Estate Management Consulting Co., Ltd (上海美凱龍愛家房地產管理諮詢有限公司)	1,483	1,483	1,483	1,483
Jinan Xinglong Real Estate Development Co., Ltd (濟南星龍房地產開發有限公司)	1,100	953	1,100	958
Changxing Ronghao Trading Co., Ltd (長興榮皓貿易有限公司)	1,026	46	1,026	46
Xining Yuanhong Property Development Co., Ltd (西寧遠鴻房地產開發有限公司)	975	306	975	200

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book	Bad debt	Book	Bad debt
	balance	allowance	balance	allowance
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Accounts receivable (continued)				
Nantong Xinglong Real Estate Development Co., Ltd (南通星龍房地產開發有限公司)	960	439	960	80
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	930	267	38	2
Shanghai Aegean Commercial Group Co., Ltd (上海愛琴海商業集團股份有限公司)	835	38	—	—
Tianjin Meilong Real Estate Development Co., Ltd (天津美龍房地產開發有限公司)	833	833	833	833
Kunming Yuanhonghui Real Estate Co., Ltd (昆明遠鴻匯房地產有限公司)	498	366	498	126
Dalian Xingkai Commercial Management Co., Ltd (大連星凱商業管理有限公司)	479	156	120	101
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd (重慶金科中俊房地產開發有限公司)	409	409	409	89
Hangzhou Nable Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司) and its subsidiaries	399	18	87	4
Taiyuan Shuangmingzhikun Real Estate Development Co., Ltd (太原雙明智坤房地產開發有限公司)	396	86	876	49
Chongqing Xingyuan Kaijian Commercial Management Company Limited (重慶星遠凱建商業管理有限公司)	360	33	—	—
Anka Household Products (Shanghai) Co., Ltd (安咖家居用品(上海)有限公司)	326	15	1,016	46

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Accounts receivable (continued)				
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	286	13	52	2
Taiyuan Shuangming KaiLong Property Development Co., Ltd (太原雙明凱龍房地產開發有限公司)	255	23	255	55
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	225	10	–	–
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	112	5	5	–
Shaoxing Xingkai Real Estate Co., Ltd (紹興星凱置業有限公司)	106	44	106	43
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	75	3	45	2
Taiyuan Starlight Universe Real Estate Development Co., Ltd (太原星光寰宇房地產開發有限公司)	70	3	70	3
Shanghai Red Star Dragon Commercial Management Co., Ltd (上海紅星星龍商業管理有限公司)	53	16	53	14
Xiangshan Meilong Property Co., Ltd (象山美龍置業有限公司)	44	44	44	18
Wuhan Yiran Property Management Co., Ltd (武漢怡然物業管理有限公司)	43	2	43	2
Shanghai Lihao Creative Design Co., Ltd (上海麗浩創意設計有限公司)	38	2	–	–
Xiangshan Kaisheng Real Estate Co., Ltd (象山凱勝置業有限公司)	34	34	34	34
Hubei Yiyue Property Management Company Limited (湖北怡悦物業管理有限公司)	32	1	–	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance <i>RMB'000</i> (Unaudited)	Bad debt allowance <i>RMB'000</i> (Unaudited)	Book balance <i>RMB'000</i> (Audited)	Bad debt allowance <i>RMB'000</i> (Audited)
Accounts receivable (continued)				
Yuyao Xingkai Real Estate Co., Ltd (余姚星凱置業有限公司)	32	1	32	1
Shanxi Red Star New World Real Estate Co., Ltd (山西紅星新世界置業有限公司)	18	1	18	1
Shandong Inzone Green Home Co., Ltd and its subsidiaries (山東銀座家居有 限公司)	16	1	–	–
Shanghai Longhong Cinema Management Co., Ltd (上海龍紅影院管理有限公司)	12	1	12	1
Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	7	–	7	–
Shanghai Meiyang Enterprise Management Co., Ltd (上海美影企業管理有限公司)	3	–	3	–
Liuzhou Red Star Macalline Real Estate Co., Ltd (柳州紅星美凱龍置業有限公司)	–	–	317	14
Changzhou Aegean Ole Business Management Co., Ltd (常州愛琴海奧萊商業管理有限公司)	–	–	143	6
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有 限公司)	–	–	65	3
	196,069	149,755	231,219	169,498

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Prepayments				
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries and branches	16,329	–	3,429	–
Hangzhou Alimama Software Services Co., Ltd (杭州阿里媽媽軟件服務有限公司)	1,167	–	201	–
Shanghai Huojing Business Management Co Ltd and its subsidiaries (上海或京商業管理有限公司) and its branches	902	–	902	–
Shanghai AI. Pure Intelligent Technology Co., Ltd (上海智諦智慧科技有限公司)	765	–	765	–
Tianjin Lishi Consulting Service Company Limited (天津利時諮詢服務有限公司)	750	–	–	–
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	573	–	573	–
Sunsea Parking Holdings Ltd (陽光海天停車控股有限公司) and its subsidiaries and branches	210	–	320	–
Shanghai Red Star Cloud Computing Technology Co., Ltd (上海紅星雲計算科技有限公司)	177	–	177	–
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	79	–	79	–
Alibaba Cloud Computing Co., Ltd (阿里雲計算有限公司)	71	–	46	–
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	43	–	50	–
Taobao (China) Software Co., Ltd (淘寶(中國)軟件有限公司)	35	–	88	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Prepayments (continued)				
Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd (揚州紅星美凱龍全球家居生活廣場置業 有限公司)	16	–	132	–
Alibaba (China) Network Technology Company Limited (阿里巴巴(中國)網絡技術有限公司)	11	–	11	–
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	4	–	4	–
Asia New Materials (Beijing) Building Materials Co., Ltd (亞細亞新材(北京)建築材料有限公司)	2	–	2	–
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd (重慶金科中俊房地產 開發有限公司)	1	–	1	–
Shandong Inzone Green Home Co., Ltd (山東銀座家居有限公司) and its subsidiaries	–	–	39	–
Changzhou Aegean Ole Business Management Co., Ltd (常州愛琴海奧萊商業管理有限公司)	–	–	60	–
Xiamen C&D Wine & Spirits Co., Ltd (廈門建發美酒匯酒業有限公司)	–	–	10	–
Chongqing Jinxiao Xingyue Home Co., Ltd (重慶金曉星悅家居有限公司)	–	–	30	–
Chengdu Xingyuan Real Estate Co., Ltd (成都星遠置業有限公司)	247,705	123,853	247,705	123,853
Wuhu Red Star Macalline Equity Investment Fund Management Co., Ltd (蕪湖紅星美凱龍 股權投資基金管理有限公司)	9,800	–	9,800	–
	278,640	123,853	264,424	123,853

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Other receivables				
Shanghai Mingyi Enterprise Development Co., Ltd (上海名藝商業企業發展有限公司)	198,872	9,944	200,872	21,641
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	31,000	–	31,000	–
Shenzhen Red Star Macalline Century Centre Home Furnishing Plaza Company Limited (深圳紅星美凱龍世紀中心家居生活廣場有限公司)	5,265	5,265	5,265	5,265
Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd (徐州紅星美凱龍全球家居生活廣場有限公司)	4,281	313	3,167	284
Yunnan Red Star Macalline Real Estate Co., Ltd (雲南紅星美凱龍置業有限公司)	4,031	4,031	4,031	4,031
Shanghai Aegean Business Management Co., Ltd (上海愛琴海商務管理有限公司)	3,265	239	3,265	292
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries and branches	4,670	342	8,441	748
Shanghai Yunshen Intelligent Technology Co., Ltd (上海雲紳智能科技有限公司)	1,200	1	1,200	1
Xuzhou Red Star Macalline International Furniture Decoration City Co., Ltd (徐州紅星美凱龍國際傢俱裝飾城有限公司)	783	57	2,151	193
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公司)	279	20	279	25
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	244	18	244	22
Chongqing Jinke Zhongjun Real Estate Development Co., Ltd (重慶金科中俊房地產開發有限公司)	240	–	240	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Other receivables (continued)				
Zhejiang Tmall Technology Co., Ltd (浙江天貓技術有限公司)	210	–	210	–
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美 凱龍商業管理有限公司)	200	–	213	–
Jinan Xinglong Real Estate Development Co., Ltd (濟南星龍房地產開發有限公司)	100	–	100	–
Shanghai Lihao Creative Design Co., Ltd (上海麗浩創意設計有限公司)	37	3	67	6
Shanghai Red Star Parking Management Co., Ltd (上海紅星停車管理有限公司)	34	3	31	3
Changzhou Aegean Ole Business Management Co., Ltd (常州愛琴海奧萊商業管理有限公司)	30	2	30	3
Zhengzhou Xingbo Real Estate Development Co., Ltd (鄭州星鉑房地產開發有限公司)	3	1	3	–
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	–	–	2,208	198
Chongqing New Beginning Decoration Engineering Co., Ltd (重慶新起點裝飾工程有 限公司)	–	–	10	–
Chongqing Jinxiao Yuehui Home Furnishing Co., Ltd (重慶金曉悅慧家居有限公司)	–	–	5	–
Xi'an Red Star Jiixin Home Furnishing Co., Ltd (西安紅星佳鑫家居有限公司)	25	–	25	–
	254,769	20,239	263,057	32,712

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance RMB'000 (Unaudited)	Bad debt allowance RMB'000 (Unaudited)	Book balance RMB'000 (Audited)	Bad debt allowance RMB'000 (Audited)
Contract assets				
Quzhou Huicheng Ole Business Management Company Limited (衢州市慧城奧萊商業管理有限公司)	211,426	19,261	213,640	11,882
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	91,699	8,354	96,272	11,290
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	43,079	3,924	48,351	2,689
Yangzhou Xinglong Real Estate Development Co., Ltd (揚州星龍房地產開發有限公司)	40,024	40,024	40,294	40,294
Yancheng Kailong Property Company Limited (鹽城凱龍置業有限公司)	2,458	224	2,538	141
Shanghai Luochang Enterprise Management Co., Ltd (上海洛昶企業管理有限公司)	2,081	190	3,678	205
Changchun Red Star Macalline Real Estate Development Co., Ltd (長春紅星美凱龍房地產開發有限公司)	2,026	299	2,026	244
Ningbo Kailong Property Company Limited (寧波凱龍置業有限公司)	386	158	571	173
Hengshui Xinglong Real Estate Development Co., Ltd (衡水星龍房地產開發有限公司)	197	18	294	16
Xining Yuanhong Real Estate Development Co., Ltd (西寧遠鴻房地產開發有限公司)	182	17	182	10
Xiangshan Kaisheng Real Estate Co., Ltd (象山凱勝置業有限公司)	141	13	141	8

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance <i>RMB'000</i> (Unaudited)	Bad debt allowance <i>RMB'000</i> (Unaudited)	Book balance <i>RMB'000</i> (Audited)	Bad debt allowance <i>RMB'000</i> (Audited)
Contract assets (continued)				
Taiyuan Shuangmingzhikun Real Estate Development Co., Ltd (太原雙明智坤房地產開發有限公司)	129	41	129	41
Ningbo Huixin Real Estate Co., Ltd (寧波匯鑫置業有限公司)	127	40	127	40
Liuzhou Red Star Macalline Real Estate Co., Ltd (柳州紅星美凱龍置業有限公司)	86	26	86	26
Dalian Xingkai Commercial Management Co., Ltd (大連星凱商業管理有限公司)	46	15	46	15
	394,087	72,604	408,375	67,074

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book balance <i>RMB'000</i> (Unaudited)	Bad debt allowance <i>RMB'000</i> (Unaudited)	Book balance <i>RMB'000</i> (Audited)	Bad debt allowance <i>RMB'000</i> (Audited)
Loan receivables				
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	46,400	464	46,400	464
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場 有限公司)	5,000	50	5,000	50
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	526,351	5,264	506,239	5,062
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	29,426	29,426	29,426	29,426
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場 有限公司)	–	–	78	1
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	7,000	70	–	–
	614,177	35,274	587,143	35,003

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024		As at 31 December 2023	
	Book	Bad debt	Book	Bad debt
	balance	allowance	balance	allowance
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Note receivables				
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	2,000	–	3,230	–

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Accounts payable		
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	9,464	10,291
Shanghai Xincheng'an Construction Co., Ltd (上海鑫誠安建設有限公司)	7,876	15,438
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries and branches	4,972	30,570
Shanghai Red Star Cloud Computing Technology Co., Ltd (上海紅星雲計算科技有限公司)	3,383	3,883
Shanghai Yuanxing Huanyu Real Estate Group Co., Ltd and its branches (上海遠星寰宇房地產集團有限公司及 其分公司)	2,587	2,587
METRO (Shanghai) Construction Technology Company Limited and its subsidiaries (美宅(上海)建築科技有限公司 及其附屬公司)	2,211	2,211
Alibaba Cloud Computing Co., Ltd (阿里雲計算有限公司)	661	871
Beijing Allgf Cultural and Scientific Consultation Co., Ltd (北京國富縱橫文化科技諮詢股份有限公司)	243	445

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Accounts payable (continued)		
Shanghai Dijing Catering Management Co., Ltd (上海帝景餐飲管理有限公司)	213	–
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	206	206
CSSC Cruise Industry Development (Shanghai) Co., Ltd (中船郵輪產業發展(上海)有限公司)	190	190
Shanghai Shengwei Information Technology Company Limited (上海盛域資訊技術有限公司)	126	126
Hangzhou Nable Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公 司) and its branches	103	101
Sunsea Parking Holdings Ltd. (陽光海天停車控股有限公司) and its subsidiaries and branches	99	28
Xiamen Jianfa Hengrong Supply Chain Company Limited (廈門建發恒融供應鏈有限公司)	76	–
Xiamen Jianfa International Wine Group Company Limited (廈門建發國際酒業集團有限公司)	56	–
Xiamen C&D Wine & Spirits Co., Ltd (廈門建發美酒匯酒業有限公司)	19	5
Xiamen C&D Wine Sales & Management Co., Ltd (廈門建發酒業銷售管理有限公司)	3	–
Shanghai C&D Wine Sales Management Co., Ltd (上海建發酒業銷售管理有限公司)	–	35
Xiamen Wuyuan Waterfront Hotel Co., Ltd (廈門市五緣水鄉酒店有限公司)	–	32
	32,488	67,019

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Other payables		
Xiamen C&D Company Limited (廈門建發股份有限公司)	5,933,720	83,437
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	123,381	106,776
Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司)	76,175	76,175
Shenzhen Red Star Macalline Home Furnishing Plaza Company Limited (深圳紅星美凱龍家居生活廣場有限公司)	35,323	35,323
Xi'an Jiahexing Home Furnishing Co., Ltd (西安佳和興家居有限責任公司)	29,077	52,012
Lianfa Group Co., Ltd (聯發集團有限公司)	20,903	20,903
Wuhan Zhengkai Logistics Co., Ltd (武漢市正凱物流有限公 司)	5,671	4,438
Shanghai Red Star Cloud Computing Technology Co., Ltd (上海紅星雲計算科技有限公司)	3,231	3,231
Shaanxi Hongrui Home Furnishings Plaza Co., Ltd (陝西鴻瑞家居生活廣場有限公司)	2,604	–
Guangzhou Huoshuyinhua Information Technology Co., Ltd (廣州火數銀花資訊科技有限公司)	2,600	2,300
Shanghai Xincheng'an Construction Co., Ltd (上海鑫誠安建設有限公司)	2,345	2,345
Shandong Inzone Green Home Co.,Ltd and its subsidiaries (山東銀座家居有限公司)	2,339	91,674
Shenzhen Red Star Macalline Business Management Company Limited (深圳紅星美凱龍商業管理有限公司)	2,229	174
Shanghai Huojing Business Management Co Ltd and its subsidiaries (上海或京商業管理有限公司)	1,647	140
METRO (Shanghai) Building Technology Co., Ltd and its subsidiaries (美宅(上海)建築科技有限公司及其子公司)	1,639	1,735
Shanghai Macalline Property Management Service Co., Ltd (上海美凱龍物業管理服務有限公司) and its subsidiaries and branches	1,492	75,892

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Other payables (continued)		
Hangzhou Nabel Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司) and its branches	1,378	1,271
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	908	958
Wuhu Minghui Business Management Co., Ltd (蕪湖明輝商業管理有限公司)	627	1,718
Shanghai Jiazhan Construction Engineering Company Limited (上海嘉展建築裝潢工程有限公司)	592	592
Shanghai Yuanxing Huanyu Real Estate Group Co., Ltd and its branches (上海遠星寰宇房地產集團有限公司及其分公司)	463	463
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	434	575
Hangzhou Nabel Group Co., Ltd and its branches (杭州諾貝爾集團有限公司及其分公司)	294	49
Shanghai Aegean Commercial Group Co., Ltd. (上海愛琴海商業集團股份有限公司)	212	–
Chongqing Ocean Red Star Enterprise Development Co., Ltd (重慶遠洋紅星企業發展有限公司)	200	200
Shanghai Red Star Macalline Property Co., Ltd (上海紅星美凱龍置業有限公司)	190	–
Shanghai Xinglong Real Estate Development Co., Ltd (上海星龍房地產開發有限公司)	186	186
Jining Hongrui Market Management Company Limited (濟寧鴻瑞市場經營管理有限公司)	181	610
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	129	132
Hangzhou Nobel Business Services Co., Ltd (杭州諾貝爾商業服務有限公司)	81	81
Mex Smart Home (Shenzhen) Co., Ltd (美時智慧家居(深圳)有限公司)	80	80
Jiangsu Baili Aijia Home Technology Co., Ltd (江蘇佰麗愛家家居科技有限公司)	71	95

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Other payables (continued)		
Suzhou Supin Home Culture Co., Ltd (蘇州市蘇品宅配文化有限公司)	61	51
Xiamen Silber Technology Co., Ltd (廈門絲柏科技有限公司)	52	52
Shanghai Weilaishi Decoration Technology Company Limited (上海威來適裝飾科技有限公司)	50	50
Anka Household Products (Shanghai) Co., Ltd (安咖家居用品(上海)有限公司)	50	50
Changzhou Red Star Furniture General Factory Co., Ltd (常州市紅星傢俱總廠有限公司)	42	42
Asia New Materials (Beijing) Building Materials Co., Ltd (亞細亞新材(北京)建築材料有限公司)	40	40
CHEN Shuhong (陳淑紅)	31	32
Shanghai Tianhe Smart Home Technology Company Limited (上海天合智慧科技股份有限公司)	27	27
Yangzhou Kailong Consulting Co., Ltd (揚州凱龍管理諮詢有限公司)	21	12
Hangzhou Feishi Bath & Kitchen Products Co., Ltd (杭州菲氏浴廚用品有限公司)	20	20
Beijing Allgf Cultural and Scientific Consultation Co., Ltd (北京國富縱橫文化科技諮詢股份有限公司)	15	15
Business Division of Nanjing Pukou Lilicheng Furniture (南京市浦口區立力成傢俱經營部)	5	5
Shenzhen Crowe Horizontal Industry & Education Technology Co., Ltd (深圳國富縱橫產教科技有限公司)	–	24
Shengbao (Shanghai) Intelligent Technology Co., Ltd (晟葆(上海)智慧科技有限公司)	N/A	240
CSSC Cruise Industry Development (Shanghai) Co., Ltd (中船郵輪產業發展(上海)有限公司)	–	5
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	–	1
	6,250,816	564,231

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Advance from customers		
Shanghai Lianhong Real Estate Development Co., Ltd (上海聯泓房地產開發有限公司)	268	–
Hangzhou Nabel Group Co., Ltd and its subsidiaries (杭州諾貝爾集團有限公司及其分公司)	229	–
Shanghai Huojing Business Management Co Ltd and its subsidiaries (上海或京商業管理有限公司)	159	–
Beijing Hema Network Technology Co., Ltd (北京盒馬網絡科技有限公司)	126	105
Hangzhou Nabel Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司)	93	258
Super Smart Home (Shanghai) Internet of Things Technology Co., Ltd (超級智慧家(上海)物聯網科技有限公司)	89	337
Asia New Materials (Beijing) Building Materials Co., Ltd (亞細亞新材(北京)建築材料有限公司)	3	3
Changzhou Longyao Equity Investment Management Co., Ltd (常州龍耀股權投資管理有限公司)	–	6
Hangzhou Nobel Business Services Co., Ltd (杭州諾貝爾商業服務有限公司)	–	11
	967	720

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contract liabilities		
Sunsea Parking Holdings Ltd (陽光海天停車控股有限公司) and its subsidiaries and branches	49,328	39,261
Shanghai Qiaotong Enterprise Management Co., Ltd (上海喬彤企業管理有限公司)	2,939	2,939
Hangzhou Nabel Ceramics Co., Ltd (杭州諾貝爾陶瓷有限公司) and its subsidiaries	1,792	2,716
Dream Factory Home (Shenzhen) Company Limited (夢工廠家居(深圳)有限公司)	1,336	–
Mex Smart Home (Shenzhen) Co., Ltd (美時智慧家居(深圳)有限公司)	642	642
Hengshui Xinglong Real Estate Development Co., Ltd (衡水星龍房地產開發有限公司)	448	448
Kunming Yuanhonghui Real Estate Co., Ltd (昆明遠鴻匯房地產有限公司)	265	–
Huaian Xinmeilong Real Estate Co., Ltd (淮安新美龍置業有限公司)	217	217
Liuzhou Red Star Macalline Real Estate Co., Ltd (柳州紅星美凱龍置業有限公司)	83	382
Tianjin Macalline Real Estate Co., Ltd (天津美凱龍置業有限公司)	75	75
Zhanjiang Haixin Meikai Investment Co., Ltd (湛江市海新美凱投資有限公司)	61	58
Suzhou Supin Home Culture Co., Ltd (蘇州市蘇品宅配文化有限公司)	31	31
Dream Maker Home (Shenzhen) Co., Ltd (造夢者家居(深圳)有限公司)	30	30
Chengdu Dongtai Shopping Mall Company Limited (成都東泰商城有限公司)	28	28
Shanghai Hongmei Real Estate Co., Ltd (上海洪美置業有限公司)	16	16

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contract liabilities (continued)		
Guangzhou Red Star Macalline Expo Home Plaza Co., Ltd (廣州紅星美凱龍世博家居廣場有限公司)	9	–
Anka Household Products (Shanghai) Co., Ltd (安咖家居用品(上海)有限公司)	–	604
Shanghai CTME Economy & Trade Development Co., Ltd (上海中貿美凱龍經貿發展有限公司)	–	22
Ningbo Kailong Property Company Limited (寧波凱龍置業有限公司)	–	6
	57,300	47,475
Lease liabilities		
Changzhou Red Star Furnishing City (常州市紅星裝飾城)	17,461	5,820
Shanghai Huojing Business Management Co Ltd (上海或京商業管理有限公司) and its subsidiaries	150	–
	17,611	5,820

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

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Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

25. RELATED PARTY TRANSACTIONS (continued)

2. Amounts due from/to related parties (continued)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank and other borrowings		
Short-term Loans		
Xiamen International Bank Limited (廈門國際銀行股份有限公司)	185,535	2,196,550
Shanghai Red Star Macalline Commercial Factoring Company Limited (上海紅星美凱龍商業保理有限公司)	9,418	9,418
Xiamen Jianfa Finance & Leasing Company Limited (廈門建發融資租賃有限公司)	114,131	–
	309,084	2,205,968

3. Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors of the Company and other key management of the Group. The key management personnel compensation are as follows:

	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Key management personnel compensation	13,351	13,514