



建發國際投資集團有限公司
C&D International Investment Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1908

2022

INTERIM REPORT



房地產開發及房地產產業鏈綜合投資服務商
Real estate development and real estate industry chain investment services

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. ZHAO Chengmin (*Chairperson*)
(appointed as chairperson on 25 August 2022)
Mr. LIN Weiguo (*Chief Executive Officer*)
Mr. TIAN Meitan (appointed on 25 August 2022)
Mr. ZHUANG Yuekai (resigned on 25 August 2022)

Non-executive Directors

Mr. HUANG Wenzhou
Ms. YE Yanliu
Mr. WANG Wenhui

Independent Non-executive Directors

Mr. WONG Chi Wai
Mr. WONG Tat Yan, Paul
Mr. CHAN Chun Yee

COMPANY SECRETARY

Miss LEUNG Ching Ching (*FCG, HKFCG*)

AUDIT COMMITTEE

Mr. WONG Chi Wai (*Committee Chairperson*)
Mr. WONG Tat Yan, Paul
Mr. CHAN Chun Yee

REMUNERATION COMMITTEE

Mr. WONG Tat Yan, Paul (*Committee Chairperson*)
Mr. WONG Chi Wai
Mr. CHAN Chun Yee

NOMINATION COMMITTEE

Ms. ZHAO Chengmin (*Committee Chairperson*)
(appointed as chairperson on 25 August 2022)
Mr. CHAN Chun Yee
Mr. WONG Chi Wai
Mr. WONG Tat Yan, Paul
Mr. ZHUANG Yuekai (resigned on 25 August 2022)

INDEPENDENT AUDITOR

Grant Thornton Hong Kong Limited

PRINCIPAL BANKERS

(in alphabetical order)
Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank Of Hangzhou Co., Ltd.
Bank Of Jiangsu Co., Ltd.
China Construction Bank Corporation
China Everbright Bank Company Limited
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd
Ping An Bank Co., Ltd.
Postal Savings Bank of China
Shanghai Pudong Development Bank

REGISTERED OFFICE

Second Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN PRC

C&D International Building
No.1699 Huandao East Road
Xiamen, China
(Postcode: 361008)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 3517
35th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
(change of address on 15 August 2022)

LEGAL ADVISER AS TO HONG KONG LAWS

King & Wood Mallesons

STOCK CODE

1908

COMPANY'S WEBSITE

www.cndintl.com
(the contents of which do not form part of this report)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the “Board”) of directors (the “Directors”) of C&D International Investment Group Limited (the “Company”) is pleased to announce the following unaudited interim consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 (the “Period”) together with the comparative figures for the corresponding period in 2021 (the “corresponding period of the previous year”).

	Notes	For the six months ended 30 June 2022 RMB'000 (Unaudited)	For the six months ended 30 June 2021 RMB'000 (Unaudited) (Restated)
Revenue	4	16,949,699	8,883,201
Cost of sales		(14,398,126)	(7,669,508)
Gross profit		2,551,573	1,213,693
Other income	6	356,042	291,126
Loss on changes in fair value of investment properties		(10,276)	(860)
Administrative expenses		(308,399)	(123,094)
Selling expenses		(940,588)	(748,945)
Provision for expected credit losses allowance		(9,131)	(10,888)
Finance costs	7	(292,742)	(189,034)
Share of profit of associates		263,063	35,733
Share of profit of joint ventures		692	13,942
Profit before income tax	8	1,610,234	481,673
Income tax expense	9	(331,682)	(74,024)
Profit for the period		1,278,552	407,649
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(92,155)	20,090
Total comprehensive income for the period		1,186,397	427,739

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the six months ended 30 June 2022 RMB'000 (Unaudited)	For the six months ended 30 June 2021 RMB'000 (Unaudited) (Restated)
Profit for the period attributable to:			
Equity holders of the Company		842,065	325,261
Non-controlling interests		436,487	82,388
		1,278,552	407,649
Total comprehensive income for the period attributable to:			
Equity holders of the Company		736,329	345,400
Non-controlling interests		450,068	82,339
		1,186,397	427,739
Earnings per share for profit attributable to the equity holders of the Company			
	11		
— Basic (RMB cents)		60.36	27.51
— Diluted (RMB cents)		60.36	27.51

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		345,221	350,497
Right-of-use assets		293,784	304,903
Investment properties	12	1,310,153	1,310,153
Intangible assets		724,381	692,296
Interests in associates		15,566,084	13,095,495
Interest in joint ventures		660,479	660,294
Other financial assets	13	116,364	245,700
Deposits for acquisition of land		64,166	64,166
Deferred tax assets		5,530,716	4,404,331
		24,611,348	21,127,835
Current assets			
Inventories of properties, other inventories and other contract costs	14		
— Properties under development		276,973,179	222,892,485
— Properties held for sale		6,479,923	7,058,250
— Other inventories		30,125	29,852
— Other contract costs		1,739,727	1,234,427
Contract assets		177,140	166,378
Trade and other receivables	15	11,499,222	9,250,822
Amounts due from non-controlling interests	18	32,959,940	26,462,676
Other financial assets	13	307,100	280,500
Deposits for acquisition of land		1,791,640	7,038,796
Prepaid taxes		3,535,729	2,193,016
Cash at banks and on hand	16	35,776,616	48,351,462
		371,270,341	324,958,664
Total assets		395,881,689	346,086,499
Current liabilities			
Trade and other payables	17	33,099,434	33,097,667
Contract liabilities		184,290,387	148,905,438
Amounts due to related companies	18	8,495,530	7,946,002
Amounts due to non-controlling interests	18	12,765,198	6,388,232
Interest-bearing borrowings	19	7,965,367	4,859,455
Income tax liabilities		2,960,103	3,146,399
Lease liabilities		93,649	55,882
Receipts under securitisation arrangements		—	1,998,346
		249,669,668	206,397,421

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Net current assets		121,600,673	118,561,243
Total assets less current liabilities		146,212,021	139,689,078
Non-current liabilities			
Loans from intermediate holding company	18	39,524,284	37,637,867
Lease liabilities		101,869	149,122
Interest-bearing borrowings	19	35,313,103	36,807,502
Deferred tax liabilities		828,042	827,730
		75,767,298	75,422,221
Total liabilities		325,436,966	281,819,642
Net assets		70,444,723	64,266,857
EQUITY			
Share capital	20	124,020	117,215
Reserves		11,211,721	12,334,514
Equity attributable to the equity holders of the Company		11,335,741	12,451,729
Equity attributable to the subscriber of the perpetual loan		14,500,000	14,500,000
Equity attributable to owners of the parent		25,835,741	26,951,729
Non-controlling interests		44,608,982	37,315,128
Total equity		70,444,723	64,266,857

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent											
	Equity attributable to the equity holders of the Company									Non-controlling interests	Total equity	
	Share capital	Share premium	Statutory reserve	Exchange reserve	Capital reserve	Revaluation reserve	Retained earnings	Total	Perpetual loan			Total
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021, as previously reported	100,636	2,447,947	834,574	65,518	(41,207)	2,692	4,905,205	8,315,365	9,500,000	17,815,365	19,536,204	37,351,569
Effect of business combination under common control (note 2)	-	-	9,676	72	33,515	-	98,067	141,330	-	141,330	273,323	414,653
Balance at 1 January 2021, as restated (unaudited)	100,636	2,447,947	844,250	65,590	(7,692)	2,692	5,003,272	8,456,695	9,500,000	17,956,695	19,809,527	37,766,222
Total comprehensive income for the Period, as restated	-	-	-	-	-	-	325,261	325,261	-	325,261	82,388	407,649
Profit for the Period	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(49)	20,090
— Currency translation differences	-	-	-	20,139	-	-	-	20,139	-	20,139	-	-
Total comprehensive income, as restated	-	-	-	20,139	-	-	325,261	345,400	-	345,400	82,339	427,739
Transactions with owners, as restated	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares upon placing, net of transaction costs	5,366	772,180	-	-	-	-	-	777,546	-	777,546	-	777,546
Issuance of ordinary shares in respect of the Restricted Share Incentive Scheme	2,936	209,072	-	-	-	-	-	212,008	-	212,008	-	212,008
Issuance of a perpetual loan	-	-	-	-	-	-	-	-	5,000,000	5,000,000	-	5,000,000
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	7,573,143	7,573,143
Capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	(384,000)	(384,000)
Disposal of subsidiaries	-	-	-	-	14,369	-	(14,369)	-	-	-	4,535	4,535
Change in ownership interests in subsidiaries without change of control	-	-	-	-	(660)	-	-	(660)	-	(660)	(2,540)	(3,200)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(62,042)	(62,042)
Transfer to statutory reserve	-	-	1,117	-	-	-	(1,117)	-	-	-	-	-
Total transactions with owners, as restated	8,302	981,252	1,117	-	13,709	-	(15,486)	988,894	5,000,000	5,988,894	7,129,096	13,117,990
Balance at 30 June 2021, as restated (unaudited)	108,938	3,429,199	845,367	85,729	6,017	2,692	5,313,047	9,790,989	14,500,000	24,290,989	27,020,962	51,311,951

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent												
	Equity attributable to the equity holders of the Company										Non-controlling interests RMB'000		
	Share capital RMB'000	Share premium* RMB'000	Shares held for restricted share incentive scheme* RMB'000	Statutory reserve* RMB'000	Exchange reserve* RMB'000	Capital reserve* RMB'000	Revaluation reserve* RMB'000	Retained earnings* RMB'000	Total RMB'000	Perpetual loan RMB'000		Total RMB'000	
Balance at 1 January 2022, as previously reported	117,215	3,279,017	(212,008)	1,446,000	123,254	(110,178)	2,692	7,465,321	12,111,313	14,500,000	26,611,313	36,645,507	63,256,820
Effect of business combination under common control (note 2)	-	-	-	22,044	187	196,721	-	121,464	340,416	-	340,416	669,621	1,010,037
Balance at 1 January 2022, as restated (unaudited)	117,215	3,279,017	(212,008)	1,468,044	123,441	86,543	2,692	7,586,785	12,451,729	14,500,000	26,951,729	37,315,128	64,266,857
Total comprehensive income for the Period	-	-	-	-	-	-	-	842,065	842,065	-	842,065	436,487	1,278,552
Profit for the Period	-	-	-	-	-	-	-	842,065	842,065	-	842,065	436,487	1,278,552
Other comprehensive income	-	-	-	-	(105,736)	-	-	-	(105,736)	-	(105,736)	13,581	(92,155)
— Currency translation differences	-	-	-	-	(105,736)	-	-	-	(105,736)	-	(105,736)	13,581	(92,155)
Total comprehensive income	-	-	-	-	(105,736)	-	-	842,065	736,329	-	736,329	450,068	1,186,397
Transactions with owners													
Issuance of share for the acquisition of C&D Property Shares, net of transaction costs	6,805	976,244	-	-	-	-	-	-	983,049	-	983,049	-	983,049
Share-based payment expense, net of taxation	-	-	-	-	-	53,906	-	-	53,906	-	53,906	-	53,906
Lapse of shares held for restricted share incentive scheme	-	-	1,375	-	-	-	-	-	1,375	-	1,375	-	1,375
Share-based payment expense assumed by intermediate controlling company, net of taxation	-	-	-	-	-	3,296	-	-	3,296	-	3,296	6,616	9,912
Lapse of shares held by intermediate controlling company under restricted share incentive scheme	-	-	-	-	-	-	-	-	-	-	-	985	985
2021 final dividend approved	-	(1,504,540)	-	-	-	-	-	-	(1,504,540)	-	(1,504,540)	-	(1,504,540)
Business combination under common control (note 2)	-	-	-	-	-	(1,396,391)	-	-	(1,396,391)	-	(1,396,391)	-	(1,396,391)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(447)	(447)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	7,983,935	7,983,935
Capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(295,875)	(295,875)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(13,484)	(13,484)
Change in ownership interests in subsidiaries without change of control	-	-	-	-	-	6,988	-	-	6,988	-	6,988	(787,398)	(780,410)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(50,546)	(50,546)
Total transactions with owners	6,805	(528,296)	1,375	-	-	(1,332,201)	-	-	(1,852,317)	-	(1,852,317)	6,843,786	4,991,469
Balance at 30 June 2022 (unaudited)	124,020	2,750,721	(210,633)	1,468,044	17,705	(1,245,658)	2,692	8,428,850	11,335,741	14,500,000	25,835,741	44,608,982	70,444,723

* These reserve accounts comprise the Group's reserves of RMB11,211,721,000 in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June 2022 RMB'000 (Unaudited)	For the six months ended 30 June 2021 RMB'000 (Unaudited) (Restated)
Net cash used in operating activities		(14,535,816)	(20,889,556)
Net cash used in investing activities		(3,213,906)	(3,972,942)
Net cash generated from financing activities (Note)		4,304,898	29,426,890
Net (decrease) increase in cash and cash equivalents		(13,444,824)	4,564,392
Cash and cash equivalents as at 1 January		46,847,984	28,254,039
Effect of foreign exchange rate changes on cash and cash equivalents		22,369	(2,413)
Cash and cash equivalents as at 30 June	16	33,425,529	32,816,018

Note: Included in net cash used in financing activities for the six months ended 30 June 2022 were repayment of interest-bearing borrowings, loans from intermediate holding company and amounts due to non-controlling interests of approximately RMB180,720.87 million (corresponding period of the previous year: approximately RMB136,288.75 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

1. GENERAL INFORMATION

The Company's functional currency is Hong Kong Dollars ("HK\$"). However, the interim condensed consolidated financial information for the six months ended 30 June 2022 (the "Interim Financial Information") is presented in Renminbi ("RMB"), as the directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its existing and potential investors. The Interim Financial Information is presented in thousands of RMB ("RMB'000"), unless otherwise stated.

Well Land International Limited ("Well Land") is the Company's immediate holding company which was incorporated in the British Virgin Islands ("BVI") with limited liability; C&D Real Estate Corporation Limited* (建發房地產集團有限公司) ("C&D Real Estate") which was incorporated in the People's Republic of China ("PRC" or "China") with limited liability is the Company's intermediate holding company and Xiamen C&D Corporation Limited* (廈門建發集團有限公司) ("Xiamen C&D") which was incorporated in the PRC with limited liability is the Company's ultimate holding company.

2. BASIS OF PREPARATION

The Interim Financial Information is prepared in accordance with Hong Kong Accounting Standards ("HKASs") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

Common control combinations

During the Period, the Company entered into the share sale and purchase agreement (the "Share Sale and Purchase Agreement") with Well Land, pursuant to which the Company agreed to acquire and Well Land agreed to sell 467,691,388 shares (the "C&D Property Shares") in C&D Property Management Group Co., Ltd ("C&D Property") (representing approximately 35.00% of the total number of issued shares in C&D Property) for a consideration of HK\$1,641,596,771.88. On the same date, the Company entered into the voting rights entrustment agreement (the "Voting Rights Entrustment Agreement") with Well Land, pursuant to which Well Land has agreed to irrevocably and unconditionally entrust the Company to exercise the voting rights of 213,801,777 C&D Property Shares that Well Land directly holds in C&D Property (representing approximately 16.00% of the total number of issued shares in C&D Property) for an indefinite period. The transactions contemplated under the Share Sale and Purchase Agreement and the Voting Rights Entrustment Agreement (the "Transactions") were completed on 23 May 2022.

In preparation of the condensed consolidated financial statements of the Group for the six months ended 30 June 2022, it was determined that the Group and C&D Property and its subsidiaries (the "C&D Property Group") were under the common control of the same substantial shareholder, Xiamen C&D, before and after the Transactions, and that control is not transitory. The Group and the target companies were regarded as continuing entities as at the respective dates of business combinations and hence the Transactions were accounted for as business combinations of entities under common control by applying the principles of merger accounting as if the Transactions had occurred on the date when the combining entities first came under the control of the substantial shareholder.

The financial statements have been prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as if the acquisitions had been completed at the beginning of the earliest period presented.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

2. BASIS OF PREPARATION *(Continued)*

Common control combinations *(Continued)*

The condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2022 and 2021 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the dates when the subsidiaries first came under common control of the substantial shareholder, whichever is earlier where this is a shorter period. The condensed consolidated statement of financial position of the Group as at 30 June 2022 and 1 January 2022 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the substantial shareholder's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Transactions.

Equity interests in subsidiaries and/or businesses held by parties other than the substantial shareholder prior to the Transactions are presented as non-controlling interests in equity in applying the principles of merger accounting.

3. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2022

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2021, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

3. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRSs in issued but not yet effective

At the date of authorisation of this Interim Financial Report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendment ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or Joint Venture ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective date not yet determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the Period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

4. REVENUE

Revenue from the Group's principal activities recognised during the Period is as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (restated)
Property development	15,606,461	8,216,069
Property management service	755,348	486,926
Others (Note)	587,890	180,206
	16,949,699	8,883,201

Note: The balance mainly comprises construction management income of RMB311,124,000 (corresponding period of the previous year: RMB nil), entrusted construction services income of RMB44,282,000 (corresponding period of the previous year: RMB65,996,000) and rental income from property leasing of RMB35,881,000 (corresponding period of the previous year: RMB86,097,000) of which rental income does not fall within the scope of HKFRS 15.

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

The Company's executive directors have assessed the results of the Group, breakdowns of the business segments are as follow:

- Property development
- Property management services

In prior years, all of the Group's business operations relate to property development and provision of its related services with similar economic characteristics, while others are insignificant individually and collectively for the purpose of segment reporting. Accordingly, the chief operating decision-maker of the Company reviews the performance of the Group as a single business segment. No separate analysis information is presented.

In December 2020, the Group spun-off its property management services operating segment, C&D Property for separate listing on the Stock Exchange. Following completion of the Transactions (Note 2), the executive directors have assessed the performance of the property management segment as a separate reportable segment and have restated the segment information for the interim period of 2021 correspondingly.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

	Property development RMB'000	Property management services RMB'000	Total RMB'000
For the six months ended 30 June 2022 (unaudited)			
Disaggregated by timing of revenue recognition:			
— Point in time	15,606,461	–	15,606,461
— Over time	–	997,018	997,018
	15,606,461	997,018	16,603,479
Inter-segment revenue	–	(241,670)	(241,670)
Revenue to external customers	15,606,461	755,348	16,361,809
Reportable segment profit before income tax	1,349,723	149,453	1,499,176
Other segment information:			
Interest income	275,059	10,448	285,507
Interest expense	284,557	–	284,557
Share of results of associates	252,662	(3)	252,659
Share of results of joint ventures	732	–	732
Depreciation of property, plant and equipment	7,082	4,608	11,690
Depreciation of right-of-use assets	22,592	4,078	26,670
Provision for ECL allowance on loans to associates	739	–	739
Provision for/(reversal of provision for) ECL allowance on trade and other receivables	(7,821)	3,638	(4,183)
Provision for ECL allowance on amounts due from non-controlling interests	6,504	–	6,504
Reversal of provision for inventories of properties	122,855	–	122,855

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

	Property development RMB'000	Property management services RMB'000	Total RMB'000
For the six months ended 30 June 2021 (unaudited) (restated)			
Disaggregated by timing of revenue recognition:			
— Point in time	8,216,069	–	8,216,069
— Over time	–	665,188	665,188
	8,216,069	665,188	8,881,257
Inter-segment revenue	–	(178,262)	(178,262)
Revenue to external customers	8,216,069	486,926	8,702,995
Reportable segment profit before income tax	318,835	98,549	417,384
Other segment information:			
Interest income	150,431	10,383	160,814
Interest expense	181,076	393	181,469
Share of result of associates	26,434	90	26,524
Share of result of joint ventures	276	–	276
Depreciation of property, plant and equipment	3,714	3,658	7,372
Depreciation of right-of-use assets	13,118	3,171	16,289
Provision for ECL allowance on loans to associates	1,815	–	1,815
Provision for/(reversal of provision for) ECL allowance on trade and other receivables	(5,961)	3,470	(2,491)
Provision for ECL allowance on amounts due from non-controlling interests	11,309	–	11,309
Reversal of provision for inventories of properties	354	–	354

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

The reconciliation between the Group's operating segments and the Group's key financial figures are as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Reportable segment revenue	16,603,479	8,881,257
Inter-segment revenue elimination	(241,670)	(178,262)
Unallocated revenue	587,890	180,206
Consolidated revenue to external customers	16,949,699	8,883,201
Reportable segment profit before income tax	1,499,176	417,384
Unallocated interest income	4,556	3,594
Unallocated interest expenses	(8,185)	(7,565)
Unallocated share of results of associates	10,404	9,209
Unallocated share of results of joint venture	(40)	13,666
Unallocated income and expenses	120,267	56,205
Unallocated provision for expected credit loss of trade and other receivables	(6,071)	(255)
Unallocated depreciation	(9,873)	(10,565)
Consolidated profit before income tax	1,610,234	481,673

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

	Property development RMB'000	Property management services RMB'000	Total RMB'000
As at 30 June 2022 (unaudited)			
Reportable segment assets	388,191,059	2,472,100	390,663,159
Reconcile: Corporate and other unallocated assets			5,218,530
Total assets			395,881,689
Reportable segment liabilities	(319,680,783)	(1,913,533)	(321,594,316)
Reconcile: Corporate and other unallocated liabilities			(3,842,650)
Total liabilities			(325,436,966)
Other segment information: Interests in associates and joint ventures	15,794,953	1,867	15,796,820
	Property development RMB'000	Property management services RMB'000	Total RMB'000
As at 31 December 2021 (unaudited) (restated)			
Reportable segment assets	338,082,762	2,585,505	340,668,267
Reconcile: Corporate and other unallocated assets			5,418,232
Total assets			346,086,499
Reportable segment liabilities	(276,841,101)	(1,581,430)	(278,422,531)
Reconcile: Corporate and other unallocated liabilities			(3,397,111)
Total liabilities			(281,819,642)
Other segment information: Interests in associates and joint ventures	13,616,691	1,870	13,618,561

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

Segment assets consist primarily of property, plant and equipment, right-of-use assets, interests in associates, interests in joint ventures, other financial assets, deposits for land acquisitions, inventories of properties, other inventories and other contract costs, contract assets, trade and other receivables, amounts due from non-controlling interests, cash at banks and on hand, certain deferred tax assets and prepaid taxes.

Segment liabilities consist primarily of contract liabilities, trade and other payables, loans from intermediate holding company, amounts due to non-controlling interests and related companies, interest-bearing borrowings, receipts under securitisation arrangements, lease liabilities, income tax liabilities and certain deferred tax liabilities.

As the chief operating decision-maker of the Company considers most of the Group's revenue and results are attributable to the market in the PRC, the Group's assets are substantially located inside the PRC, no geographical information is presented.

For the six months ended 30 June 2022 and 2021, the Group had a large number of customers, none of whom contributed 10% or more of the Group's revenue.

6. OTHER INCOME

	For the six months ended	
	30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Interest income from:		
— banks	218,373	133,854
— loans to associates	65,886	18,366
— financial assets at amortised cost	319	–
— others	5,485	12,188
	290,063	164,408
Compensation income	29,181	73,036
Gain on changes in fair value of financial assets measured at FVTPL	9,932	9,930
Gain on disposal of subsidiaries	3,415	31,774
Government grants	8,316	3,726
Sundry income	15,135	8,252
	356,042	291,126

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

7. FINANCE COSTS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Interest charges on:		
Bank borrowings	1,113,994	739,102
Loans from intermediate holding company	655,570	628,936
Amounts due to non-controlling shareholders	89,859	111,427
Receipts under securitisation arrangements	4,637	153,292
Significant financing component of contract liabilities	2,784,092	1,362,228
New standards on leases	3,327	5,219
Total borrowing costs	4,651,478	3,000,204
Less: Interest capitalised	(4,358,736)	(2,811,170)
	292,742	189,034

Borrowing costs have been capitalised at various applicable rates ranging from 1.92% to 10.0% per annum (corresponding period of the previous year: 2.75% to 11.5% per annum).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

8. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Auditor's remuneration	–	–
Cost of properties sold	13,555,720	7,300,067
Depreciation:		
— Owned assets	12,019	13,096
— Right-of-use assets	36,214	21,130
Provision for ECL allowance on loans to associates	739	1,815
Provision for/(reversal of provision for) ECL allowance on trade and other receivables	1,888	(2,236)
Provision for ECL allowance on amounts due from non-controlling interests	6,504	11,309
Net foreign exchange gain	(6,693)	(1)
Lease charges:		
— Leases with lease term less than twelve months	18,149	13,977
Outgoings in respect of investment properties that generated rental income	3,830	2,231
Reversal of provision for inventories of properties and other contract costs	(122,855)	(354)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

9. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Current income tax		
PRC corporate income tax ("CIT")		
— The period	1,505,711	1,996,931
PRC land appreciation tax ("LAT")	(40,798)	(50,312)
	1,464,913	1,946,619
Deferred tax	(1,133,231)	(1,872,595)
Total income tax expense	331,682	74,024

Notes:

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit arising in Hong Kong during the Period (2021: Nil).

(b) PRC CIT

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the Period, based on the existing legislation, interpretations and practices in respect thereof.

PRC CIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2021: 25%).

(c) PRC LAT

Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including cost of land use rights, borrowing costs, additional tax and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

(d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new CIT Law issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

9. INCOME TAX EXPENSE *(Continued)*

Notes: (Continued)

(e) Cayman Islands corporate tax

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any corporate tax in Cayman Islands for the six months ended 30 June 2022 and 2021.

(f) BVI profits tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI for the six months ended 30 June 2022 and 2021.

(g) Australia profits tax

No Australia profits tax has been provided as the Group did not derive any assessable profit arising in Australia during the six months ended 30 June 2022 and 2021.

10. DIVIDEND

Dividends attributable to the period

	Note	For the six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
2021 interim dividend of HK\$1.1 per ordinary share	(i)	–	1,182,258

Note:

- (i) The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (the six months ended 30 June 2021: HK\$1.1 per ordinary share).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

11. EARNINGS PER SHARE

(A) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the Period.

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Profit for the purpose of basic earnings per share:		
Profit for the period attributable to the equity holders of the Company	842,065	325,261
Weighted average number of ordinary shares in issue during the Period (thousands)	1,395,085	1,182,293
Earnings per share (expressed in RMB cents per share)	60.36	27.51

(B) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2022 and 2021 equals to the basic earnings per share as there were no dilutive potential ordinary shares in existence during the period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

12. INVESTMENT PROPERTIES

Movements of the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
Carrying amount at 1 January	1,310,153	1,328,060
Change in fair value of investment properties	(10,276)	(21,359)
Subsequent expenditures	10,276	27,659
Acquisitions of subsidiaries	–	73,793
Disposal of subsidiaries	–	(98,000)
Carrying amount at 30 June 2022/ 31 December 2021	1,310,153	1,310,153

As at 30 June 2022, the investment properties with a fair value of RMB656,004,000 (as at 31 December 2021: RMB684,462,000) have been pledged to banks to secure the Group's bank borrowings. Details of the secured bank borrowings are set out in Note 19.

The analysis of the net carrying amounts of investment properties according to lease periods is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
In PRC:		
Leases of between 10 to 50 years	1,310,153	1,310,153

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

12. INVESTMENT PROPERTIES *(Continued)*

Valuation process and methodologies

Investment properties were valued at 30 June 2022 and 31 December 2021 by an independent professional qualified valuer, Cushman & Wakefield International Property Advisers (Guangzhou) Co., Ltd., who has the relevant experience in the location and category of properties being valued. There was no change to the valuation techniques during the Period.

Discussions of valuation processes and results are held between management and the valuer on a semi-annual basis, in line with the Group's interim and annual reporting dates.

Fair value hierarchy

Fair value adjustment of investment properties is recognised in the line item "Loss on changes in fair value of investment properties" on the face of the consolidated statement of profit or loss and other comprehensive income.

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

	Fair value measurements categorised into Level 3 RMB'000
Recurring fair value measurement As at 30 June 2022	
Investment properties	1,310,153
As at 31 December 2021	
Investment properties	1,310,153

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

12. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

There were no transfers into or out of Level 3 during the Period. The Group's policy is to recognise transfers between levels of fair value hierarchy in the reporting period in which they occur.

The fair value of investment properties is determined using the direct capitalisation method by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties. The fair value measurement is positively correlated to the market monthly rental rate and factors adjustment, and negatively correlated to capitalisation rate.

	Valuation techniques	Significant unobservable inputs	Range	
			As at 30 June 2022	As at 31 December 2021
Investment properties (Nanning District)	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	32–1,890	30–1,850
		Capitalisation rate of reversionary income	3.5%–7.0%	3.5%–7.0%
Investment properties (Shanghai District)	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m.)	214–477	212–471
		Capitalisation rate of reversionary income	5.5%–6.0%	5.5%–6.0%

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

13. OTHER FINANCIAL ASSETS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
Other current financial assets:		
Financial assets at amortised cost		
Debt investment	10,000	–
Financial assets measured at fair value through profit or loss		
Subordinated tranche securities (Note (i))	297,100	280,500
	307,100	280,500
Other non-current financial assets:		
Financial assets at amortised cost		
Debt investment	–	21,000
Financial assets measured at fair value through profit or loss		
Subordinated tranche securities (Note (i))	–	109,100
Unlisted equity securities	116,364	115,600
	116,364	224,700
	116,364	245,700

Notes:

- (i) As at 30 June 2022, the amount comprises ten (31 December 2021: eleven) non-tradable subordinated tranche securities, which have no fixed coupon rate and an entitlement to residual returns upon maturity, with the maturity date on 5 July 2022, 31 August 2022, 30 September 2022, 27 October 2022, 30 December 2022, 2 March 2023, 24 March 2023, 26 May 2023, 23 June 2023 and 30 June 2023.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

14. INVENTORIES OF PROPERTIES, OTHER INVENTORIES AND OTHER CONTRACT COSTS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Inventories of properties		
Properties under development (Note (a))	276,973,179	222,892,485
Properties held for sale (Note (a))	6,479,923	7,058,250
	283,453,102	229,950,735
Other inventories	30,125	29,852
Other contract costs (Note (b))	1,739,727	1,234,427
	285,222,954	231,215,014
Inventories of properties	284,243,479	230,863,967
Less: Provision for inventories	(790,377)	(913,232)
	283,453,102	229,950,735

Notes:

(a) Inventories of properties

The properties under development and properties held for sale are located in the PRC and Australia. The relevant land use rights are on lease of 40 to 70 years.

As at 30 June 2022, properties under development with carrying amount of RMB58,136,178,000 (31 December 2021: RMB47,102,437,000) have been pledged to banks to secure the Group's bank borrowings. Details of the secured bank borrowings are set out in note 19.

The properties held for sale and properties under development of the Group are located as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Properties under development		
— PRC	275,922,495	222,833,144
— Australia	60,762	59,341
	275,983,257	222,892,485
Properties held for sale		
— PRC	7,469,845	7,058,250
	283,453,102	229,950,735

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

14. INVENTORIES OF PROPERTIES, OTHER INVENTORIES AND OTHER CONTRACT COSTS (Continued)

Notes: (Continued)

(b) Other contract costs

Contract costs capitalised relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "Selling expenses" in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the Period was RMB88,814,000. There was no impairment in relation to the costs capitalised during the Period.

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Trade receivables (Note (a))		
— third parties	1,265,291	1,428,319
— related parties	45,787	26,448
	1,311,078	1,454,767
Less: Accumulated impairment loss	(39,629)	(41,655)
	1,271,449	1,413,112
Other receivables		
Deposits (Note (b))	1,505,959	1,452,993
Prepayment	99,062	50,511
Other receivables	992,857	717,665
Prepayment for proposed development projects (Note (c))	1,245,339	616,616
Value-added-tax receivables	6,422,260	5,033,715
	10,265,477	7,871,500
Less: Loss allowance	(37,704)	(33,790)
	10,227,773	7,837,710
	11,499,222	9,250,822

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

15. TRADE AND OTHER RECEIVABLES *(Continued)*

- (a) Trade receivables generally have credit terms of 30 to 60 days. Trade receivables in respect of property development are settled in accordance with the terms stipulated in the sale and purchase agreements. For the trade receivables derived from property management services income, construction management income, rental income, building management fee income, entrusted construction services income, design and consultancy services income, the income is paid in accordance with the terms of the respective agreements and the balance is due on presentation.

Based on the invoice dates, the ageing analysis of the trade receivables is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
0–30 days	143,591	642,897
31–90 days	97,531	96,314
91–180 days	423,914	98,898
181–365 days	185,074	114,513
Over 1 year	421,339	460,490
	1,271,449	1,413,112

- (b) Deposit mainly included rental deposits, utilities deposits, receivables of refund of the deposits for land auction, deposits for construction work, miscellaneous project-related deposits.
- (c) The Group has entered into several contractual arrangements with independent third parties in respect of the proposed acquisitions of equity interests in certain PRC entities, which own land use rights or property development projects in the PRC.
- (d) The directors of the Group considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

16. CASH AT BANKS AND ON HAND

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Cash at banks and on hand	33,425,529	46,847,984
Restricted bank deposits	2,351,087	1,503,478
	35,776,616	48,351,462

Included in cash at banks and on hand of the Group is approximately RMB35,355,170,000 (31 December 2021 (restated): approximately RMB47,783,354,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Restricted bank deposits represented security deposits for construction of pre-sale properties mainly denominated in RMB placed in designated accounts. In accordance with relevant government requirements, certain property development companies of the Group are required to place in designated bank accounts certain amount of pre-sale proceeds as security deposits for the construction of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained. Such security deposits will be released upon completion of construction of the related properties.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

17. TRADE AND OTHER PAYABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Trade payables		
— Third parties	23,232,226	21,402,503
— Related parties	2,954	340
	23,235,180	21,402,843
Other payables		
Receipts in advance and other payables	4,444,884	6,528,194
Interest payable	520,155	107,930
Salaries payable	581,544	1,233,425
Value-added-tax payable	1,146,365	660,450
Deposits received	564,349	1,179,387
Accrued expenses	135,753	1,035,538
Collection and payment on behalf of others	657,499	681,806
Payable for restricted share incentive scheme	273,060	268,094
Dividends payables	1,540,645	—
	9,864,254	11,694,824
	33,099,434	33,097,667

The carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

17. TRADE AND OTHER PAYABLES (Continued)

The credit terms of trade payables vary according to the terms agreed with different suppliers. Included in trade payables are trade creditors with the following aging analysis, based on invoice dates, as at the end of the Period:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
0–30 days	10,433,055	13,043,538
31–60 days	1,036,478	1,272,180
61–90 days	2,001,926	1,196,004
Over 90 days	9,763,721	5,891,121
	23,235,180	21,402,843

18. AMOUNTS DUE FROM/(TO) RELATED COMPANIES/NON-CONTROLLING INTERESTS/ LOANS FROM INTERMEDIATE HOLDING COMPANY

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
Amounts due from non-controlling interests	32,992,933	26,489,165
Less: Loss allowance	(32,993)	(26,489)
	32,959,940	26,462,676

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

18. AMOUNTS DUE FROM/(TO) RELATED COMPANIES/NON-CONTROLLING INTERESTS/ LOANS FROM INTERMEDIATE HOLDING COMPANY *(Continued)*

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited) (Restated)
Amounts due to related companies:		
— Associates of Xiamen C&D	7,528,776	7,269,956
— Companies controlled by Xiamen C&D	966,754	676,043
— Ultimate holding company	—	3
	8,495,530	7,946,002
Amounts due to non-controlling interests	12,765,198	6,388,232

As at 30 June 2022 and 31 December 2021, the amounts due from/(to) non-controlling interests/associates of Xiamen C&D/companies controlled by Xiamen C&D are unsecured, interest-free and repayable on demand, except for amounts due to non-controlling interests of RMB1,265,951,000 (as at 31 December 2021: RMB3,671,701,000), bear interest ranging from 4.35% to 10% (2021: 4.35% to 100%) per annum and amounts due to associates of Xiamen C&D of RMB nil (31 December 2021: RMB 885,848,000, bear interest ranging from 4.35% to 6.0% per annum).

As at 30 June 2022, the loans from intermediate holding company are unsecured, bearing interest at effective interest rate of 4.81% (31 December 2021: at effective interest rate of 4.81%) per annum and would not be repayable within one year.

The carrying amounts of the balances approximate their fair values.

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. The Group applies the 12-month ECL method to amounts due from non-controlling interests in providing for ECL prescribed by HKFRS 9. During the Period, the Group has made provision for amounts due from non-controlling interests of approximately RMB6,504,000.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

19. INTEREST-BEARING BORROWINGS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
Bank loans		
— Secured	21,843,405	21,278,876
— Unsecured	21,435,065	20,388,081
	43,278,470	41,666,957

The Group's bank loans were repayable as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Unaudited)
Carrying amount repayable		
Within one year or on demand	7,965,367	4,859,455
In the second year	13,418,888	12,738,796
In the third to fifth year	21,148,013	23,461,605
After the fifth year	746,202	607,101
	43,278,470	41,666,957
Less: Amounts shown under current liabilities	(7,965,367)	(4,859,455)
	35,313,103	36,807,502

As at 30 June 2022 and 31 December 2021, the Group's bank loans are secured by the legal charges over the Group's right-of-use assets with carrying value of approximately RMB10,801,000 (31 December 2021: RMB10,928,000), property, plant and equipment with carrying values of approximately RMB19,769,000 (31 December 2021: RMB22,046,000), properties under development with carrying value of approximately RMB58,136,178,000 (31 December 2021: RMB47,102,437,000) and investment properties with fair value of approximately RMB656,004,000 (31 December 2021: RMB684,462,000).

As at 30 June 2022 and 31 December 2021, the unsecured borrowings of RMB868,745,000 (31 December 2021: RMB771,376,000) were guaranteed by the subsidiaries of the Group, and the unsecured borrowings of RMB20,514,521,000 were guaranteed by C&D Real Estate, the intermediate holding company of the Group (31 December 2021: RMB19,616,705,000).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

19. INTEREST-BEARING BORROWINGS *(Continued)*

As at 30 June 2022 and 31 December 2021, the bank loans bear interest of effective interest rates ranging from 1.92% to 6.5% (31 December 2021: from 1.95% to 6.5%) per annum, except for bank loans of RMB406,557,000 (31 December 2021: RMB395,280,000) which bear interest of a fixed interest rate of 1.92% to 3.85% (31 December 2021: 2.75% to 3.85%) per annum.

As at 30 June 2022 and 31 December 2021, the bank loans of approximately RMB649,945,000 (as at 31 December 2021: RMB621,376,000) and RMB14,697,000 (as at 31 December 2021: RMB14,842,000) were denominated in HK\$ and Australian dollar ("AUD") respectively.

20. SHARE CAPITAL

	Number of shares	Amount RMB'000
Authorised:		
Ordinary shares of HK\$0.1 each		
As at 31 December 2021 (audited) and 30 June 2022 (unaudited)	3,000,000,000	254,870
Issued and fully paid:		
As at 31 December 2021 (audited)	1,377,820,204	117,215
Issuance of new shares for the acquisition of C&D Property Shares (a)	80,000,000	6,805
As at 30 June 2022 (unaudited)	1,457,820,204	124,020

- (a) On 23 May 2022, the transactions contemplated under the Share Sale and Purchase Agreement dated 29 March 2022 entered into between the Company and Well Land was completed, pursuant to which the Company agreed to acquire and Well Land agreed to sell 467,691,388 C&D Property Shares for a consideration of HK\$1,641,596,771.88, of which HK\$1,156 million was payable by way of an allotment and issue of 80,000,000 Shares to Well Land at HK\$14.45 per Consideration Share, resulting in an increase in share capital and share capital premium of approximately, HK\$8,000,000 (equivalent to RMB6,805,000) and HK\$1,148,000,000 (equivalent to RMB976,523,000) respectively. The share issue expenses of RMB279,000 directly attributable to the issue of new Shares are deemed as a deduction from the share premium account.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

21. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group entered into following transactions with related parties:

Nature of transactions	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Associates of the Group:		
Construction management fee received (Note (c))	–	37,736
Interest income on loans to associate (Note (b))	65,886	18,366
Revenue from provision of property management services	812	188
Revenue from provision of community value-added and synergy services	3,358	15
Revenue from provision of value-added services to non-property owners	21,144	22,630
Associates of Xiamen C&D (excluding associates of the Group):		
Revenue from provision of property management services (Note (d))	552	387
Revenue from provision of community value-added and synergy services (Note (e))	–	25
Revenue from provision of value-added services to non-property owners (Note (f))	3,194	8,318
Companies controlled by Xiamen C&D:		
Interest expenses on loan from intermediate holding company (Note (a))	655,570	628,936
Construction management fee received (Note (c))	17,071	7,208
Revenue from provision of property management services (Note (d))	22,417	16,326
Revenue from provision of community value-added and synergy services (Note (e))	14,043	3,369
Revenue from provision of value-added services to non-property owners (Note (f))	18,228	3,589
Ultimate holding company:		
Revenue from provision of property management services (Note (d))	1,650	1,672
Revenue from provision of community value-added and synergy services (Note (e))	3,459	1,056

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

21. RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

- (a) During the six months ended 30 June 2022, the Group incurred loan interest expenses of RMB655,570,000 (corresponding period of the previous year: loan interest expenses of RMB628,936,000) to C&D Real Estate, the intermediate holding company pursuant to framework loan agreement with C&D Real Estate whereby C&D Real Estate agreed to grant RMB40,000 million (2021: RMB40,000 million) loan facilities to certain subsidiaries of the Company for their project development at loan interest rate of 4.81% (corresponding period of the previous year: 4.81%) per annum.
- (b) During the six months ended 30 June 2022, the Group earned interest income from associates by granting loans for their operations at loan interest rate of 4.35% to 10% (corresponding period of the previous year: 4.35% to 6%) per annum.
- (c) During the six months ended 30 June 2022, the Group earned construction management fee income by providing services ranging from design, construction and completion to delivery throughout the project construction process with companies controlled by Xiamen C&D.
- (d) During the six months ended 30 June 2022, revenue from provision of property management services was generated by C&D Property under the business framework agreement (the "Business Framework Agreement") entered into by the Company, C&D Real Estate and C&D Property dated 23 December 2020. As C&D Property became a subsidiary of the Company on 23 May 2022, the transactions contemplated under the Business Framework Agreement between C&D Real Estate and C&D Property constitutes related party transactions between C&D Real Estate and the Group. The annual caps of the services fee payable to C&D Property Group by Xiamen C&D, its subsidiaries, joint ventures and associates (excluding the Group, its joint ventures and associates) (the "Remaining Xiamen C&D Group") under the Business Framework Agreement, being RMB200 million and RMB250 million, and that in relation to property management services, being RMB50 million and RMB60 million, for the year ended 31 December 2021 and the year ending 31 December 2022, are applicable to the Group. During the six months ended 30 June 2022, the revenue (i) for the total services fee payable to C&D Property Group by the Remaining Xiamen C&D Group; and (ii) for the services fee payable to C&D Property Group by the Remaining Xiamen C&D Group in relation to property management services amounted to approximately RMB63.543 million and RMB24.619 million, respectively.
- (e) During the six months ended 30 June 2022, revenue from provision of community value-added and synergy services was generated by C&D Property under the Business Framework Agreement. As C&D Property became a subsidiary of the Company on 23 May 2022, the transactions contemplated under the Business Framework Agreement between C&D Real Estate and C&D Property constitutes related party transactions between C&D Real Estate and the Group. The annual caps of the services fee payable to C&D Property Group by the Remaining Xiamen C&D Group under the Business Framework Agreement in relation to community value-added and synergy services, being RMB40 million and RMB60 million for the year ended 31 December 2021 and the year ending 31 December 2022, are applicable to the Group. During the six months ended 30 June 2022, the revenue for the services fee payable to C&D Property Group by the Remaining Xiamen C&D Group in relation to community value-added and synergy services amounted to approximately RMB17.502 million.
- (f) During the six months ended 30 June 2022, revenue from provision of value-added services to non-property owners was generated by C&D Property under the Business Framework Agreement. As C&D Property became a subsidiary of the Company on 23 May 2022, the transactions contemplated under the Business Framework Agreement between C&D Real Estate and C&D Property constitutes related party transactions between C&D Real Estate and the Group. The annual caps of the services fee payable to C&D Property Group by the Remaining Xiamen C&D Group under the Business Framework Agreement in relation to value-added services to non-property owners being RMB110 million and RMB130 million for the year ended 31 December 2021 and the year ending 31 December 2022, are applicable to the Group. During the six months ended 30 June 2022, the revenue for the services fee payable to C&D Property Group by the Remaining Xiamen C&D Group in relation to value-added services to non-property owners amounted to approximately RMB21.422 million.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

21. RELATED PARTY TRANSACTIONS *(Continued)*

Key management personnel remuneration

Key management of the Group are members of the Board of Directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Basic salaries and allowances (Note)	5,497	2,485
Retirement benefit scheme contributions	99	68
Share-based payments	1,211	–
	6,807	2,553

Note: Included the director's fees of three executive Directors for the six months ended 30 June 2022. During the Period, three executive Directors have agreed to waive their director's fee for the three months ended 31 March 2022.

22. EVENTS AFTER THE REPORTING DATE

Save as disclosed elsewhere in this report, there were no significant events subsequent to 30 June 2022.

23. COMPARATIVE FIGURES

As explained in note 2, comparative figures have been restated and certain comparative figures in these consolidated financial statements have also been reclassified to confirm to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Period, the real estate industry faced severe challenges and impacts from the overall economic downturn, the epidemic, the slumped market and the drastic changes in the industry. In the first half of this year, the real estate sales market continued to be in a slump, and the impact of the frequent incidents of credit crisis of real estate companies in the PRC increased buyers' wait-and-see sentiment towards the market. In the short term, the credit system of the industry is under restriction and the progress of recovery of buyers' confidence is still uncertain. It may take some time for the market to recover. In an increasingly complex and volatile market environment, the Company has taken the initiative to seek opportunities from the crisis, optimize its organizational management structure, focus on improving its own operational quality, and always adhere to and strengthen the "two strategic fulcrums":

- (1) **"Strong brand"**: The Company adheres to the high-quality "product + service" strategy, strengthens product pre-innovation, and concentrates on polishing benchmark products, which are leading in the market, beautiful, comfortable, and are full of cultural charm. The recently launched "Shanshui Tangfeng* (山水唐風)" new Chinese-style products and "New Modern" product series have been widely recognized by customers, which strengthened the value of the "C&D" brand.
- (2) **"Quality management"**: By strengthening the construction of standardization system, building a highly efficient and refined large-scale operation management system, streamlining administration, delegation power and process re-engineering, the Company improves the quality and efficiency for its own development. At the same time, the Company promotes the market-oriented incentive assessment mechanism and creates value through management to ensure its steady growth.

BUSINESS REVIEW

The Group is principally engaged in the business of property development, real estate industry chain investment services and emerging industry investment. During the Period, the main source of revenue for the Company was property development.

During the Period, the revenue of the Group was approximately RMB16,949.70 million, representing an increase by approximately RMB8,066.50 million (approximately 90.81%) as compared with the corresponding period of the previous year (corresponding period of the previous year (restated): approximately RMB8,883.20 million). The gross profit of the Group amounted to approximately RMB2,551.57 million, representing an increase by approximately RMB1,337.88 million (approximately 110.23%) as compared with the corresponding period of the previous year (corresponding period of the previous year (restated): approximately RMB1,213.69 million). The profit attributable to the equity holders of the Company amounted to approximately RMB842.07 million, representing an increase by approximately RMB516.80 million (approximately 158.89%) as compared with the corresponding period of the previous year (corresponding period of the previous year (restated): approximately RMB325.26 million).

Property Development Business

During the Period, the Group's revenue from property development business was approximately RMB15,606.46 million, representing an increase of approximately RMB7,390.39 million as compared with the corresponding period of the previous year (corresponding period of the previous year: approximately RMB8,216.07 million) and accounting for approximately 92.08% of the Group's total revenue. During the Period, the gross floor area ("GFA") of the properties delivered was approximately 740,000 sq.m., representing an increase of approximately 224,000 sq.m. as compared with the corresponding period of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

The amount recognised for sales by city is set out in the following table:

City	For the six months ended 30 June	
	2022	2021
	Amount (RMB ten thousand)	
Xiamen	897,914	73,113
Putian	271,926	294,110
Changsha	164,522	11,925
Wuhan	71,494	–
Suzhou	51,901	152,122
Zhuhai	37,114	–
Guangzhou	19,176	65,779
Nanning	15,819	264
Nanping	10,591	2,553
Fuzhou	9,811	21,701
Zhangzhou	7,888	8,196
Nanjing	850	175,904
Ningde	804	–
Shenzhen	411	–
Sanming	168	–
Longyan	160	4,133
Wuxi	97	11,171
Quanzhou	–	636
Total	1,560,646	821,607

MANAGEMENT DISCUSSION AND ANALYSIS

Contracted Sales for the Period

During the Period, the Group, together with its joint ventures and associates, achieved the cumulative contracted sales attributable to the shareholders of the Company (the "Shareholder") amounted to approximately RMB48.0 billion, representing a decrease of approximately 33.5% as compared with the corresponding period of the previous year. During the Period, the cumulative contracted sales GFA attributable to the Shareholders was approximately 2,480,000 sq.m., representing a decrease of approximately 26.0% as compared with the corresponding period of the previous year.

The amount and GFA sold for contracted sales attributable to the Shareholders by city are set out in the following table:

City	2022		2021	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Xiamen	553,805	152,452	1,758,581	469,425
Beijing	446,342	74,850	120,116	16,479
Shanghai	427,810	50,004	331,101	90,731
Quanzhou	358,372	295,061	229,178	268,084
Ningbo	230,325	75,391	–	–
Zhangzhou	219,353	225,967	382,818	343,998
Wuxi	209,463	101,750	462,953	190,140
Chengdu	194,017	64,500	393,509	116,499
Fuzhou	181,585	94,169	517,392	173,558
Suzhou	171,023	112,077	557,998	329,707
Nanning	157,288	126,257	318,512	158,837
Hefei	149,617	50,921	–	–
Foshan	115,741	62,236	3,098	932
Longyan	106,725	88,601	128,807	101,526
Hangzhou	93,659	33,312	309,548	136,875
Changsha	92,977	79,620	168,441	123,961
Putian	92,274	56,031	181,866	121,155
Guiyang	84,234	87,066	60,835	69,601
Nanjing	78,336	23,262	496,391	131,693
Nantong	76,006	41,425	–	–
Nanping	64,495	89,779	111,617	138,516
Ningde	60,591	44,730	224,561	142,523
Nanchang	54,239	33,544	–	–
Wenzhou	51,739	21,208	–	–
Guangzhou	48,227	11,696	67,317	14,906
Jinan	43,924	43,263	5,652	4,965
Shaoxing	41,868	11,638	42,537	17,922
Zhuzhou	36,286	51,180	–	–
Taizhou	35,402	11,933	–	–
Jiangmen	30,058	22,926	–	–

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June

City	2022		2021	
	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)	Amount Sold (RMB ten thousand)	GFA Sold (sq.m.)
Shangrao	29,375	42,883	–	–
Zhuhai	25,671	12,606	112,380	37,310
Huai'an	24,993	12,599	27,654	12,775
Huangshi	24,042	28,290	–	–
Xuzhou	23,969	13,787	–	–
Yiyang	23,486	35,488	18,216	22,927
Liuzhou	23,011	20,600	–	–
Bengbu	21,715	16,678	72,923	57,012
Yiwu	21,661	5,400	–	–
Chongqing	19,391	11,047	53,062	30,954
Suqian	16,226	11,510	–	–
Lu'an	13,645	13,486	–	–
Wuhan	13,562	8,146	46,264	30,793
Jiujiang	7,882	9,953	–	–
Yancheng	4,733	4,404	–	–
Shenzhen	1,271	295	15,883	3,716
Total	4,800,414	2,484,021	7,219,210	3,357,520

MANAGEMENT DISCUSSION AND ANALYSIS

Land Reserves

As at 30 June 2022, the Group had a total of 244 projects in the PRC and Australia, and the aggregate saleable GFA of land reserves was approximately 19,375,000 sq.m..

The amount of saleable GFA and attributable GFA of land reserves by city are set out in the following table:

City	As at 30 June 2022		As at 31 December 2021	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Wuxi	1,034,303	709,882	1,141,113	801,988
Changsha	1,034,042	762,899	1,165,958	838,849
Guiyang	1,029,928	1,029,928	500,527	450,474
Zhangzhou	989,745	581,260	819,550	585,222
Xiamen	975,710	777,166	709,922	601,463
Fuzhou	785,349	550,714	784,480	484,107
Putian	966,726	524,994	1,043,440	569,159
Zhuzhou	814,734	814,734	867,804	867,804
Ningde	560,185	380,175	349,303	284,240
Chengdu	722,864	641,221	809,476	723,574
Shanghai	682,835	543,164	423,834	323,022
Nanchang	612,150	370,166	388,707	190,466
Nanning	591,389	550,792	711,569	661,753
Suzhou	585,553	370,529	739,342	481,884
Suqian	576,536	576,536	588,103	588,103
Huangshi	483,133	483,133	515,513	515,513
Wenzhou	472,433	174,480	529,619	199,588
Huai'an	461,868	369,494	446,716	357,373
Jinan	402,265	402,265	445,020	445,020
Nanping	397,185	298,470	515,531	389,488
Quanzhou	396,485	337,454	736,512	635,808
Hangzhou	388,798	214,822	246,408	170,891
Longyan	387,550	329,378	490,767	418,034
Hefei	345,222	191,113	413,319	257,631

MANAGEMENT DISCUSSION AND ANALYSIS

City	As at 30 June 2022		As at 31 December 2021	
	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)	Saleable GFA (sq.m.)	Attributable GFA (sq.m.)
Foshan	340,740	242,591	418,902	191,099
Jiangmen	340,375	237,821	368,509	262,598
Nanjing	300,478	208,714	314,691	297,773
Yiyang	294,794	294,794	329,793	329,793
Chongqing	278,065	184,687	63,267	63,267
Shangrao	252,391	189,123	306,291	233,561
Nantong	238,379	221,277	282,007	203,176
Ningbo	231,611	185,289	326,391	261,112
Bengbu	179,881	179,881	196,559	196,559
Guangzhou	175,175	150,879	227,168	186,626
Yancheng	171,887	84,225	179,731	88,068
Jiujiang	146,125	94,502	171,734	110,941
Taizhou	138,872	70,609	158,956	62,275
Jinhua	123,246	40,671	139,600	46,068
Beijing	109,273	104,647	97,658	85,010
Xuzhou	106,386	106,386	119,524	119,524
Shaoxing	79,113	41,044	97,923	52,649
Zhuhai	71,592	71,592	84,202	84,202
Wuhan	66,437	33,290	83,721	41,982
Liuzhou	51,527	51,527	72,077	72,077
Sydney	7,663	4,598	7,663	4,598
Sanming	7,400	3,774	7,623	3,888
Shenzhen	7,237	3,691	7,815	3,986
Total	19,374,635	14,790,381	19,444,338	14,842,286

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Period, the Group's revenue was derived from (i) property development; (ii) property management services; and (iii) others.

The following table sets out the Group's revenue from each of these segments and as a percentage of the total revenue for the relevant periods:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	RMB'000	%	RMB'000 (Restated)	%
Property development	15,606,461	92.08	8,216,069	92.49
Property management services	755,348	4.46	486,926	5.48
Others (Note)	587,890	3.46	180,206	2.03
Total	16,949,699	100.00	8,883,201	100.00

Note: Construction management income, entrusted construction services income and other income.

Property development

Revenue from property development increased by approximately RMB7,390.39 million from approximately RMB8,216.07 million in the corresponding period of the previous year to approximately RMB15,606.46 million for the Period. Saleable GFA delivered for the six months ended 30 June 2021 and 2022 were approximately 516,000 sq.m. and approximately 740,000 sq.m., respectively. The revenue derived from property development for the Period increased mainly due to the increase in saleable GFA sold and delivered in the Period as compared with the corresponding period of the previous year.

Property management services

Upon completion of the transactions contemplated under the Share Sale and Purchase Agreement and the Voting Rights Entrustment Agreement on 23 May 2022, revenue from property management services generated by the C&D Property Group is included in the financial statements of the Group and comparative figures have been restated. Revenue from property management services amounted to approximately RMB755.348 million (corresponding period of previous year (restated): approximately RMB486.926 million). As at 30 June 2022, the Group has provided quality services for more than 230,000 property units, covering 57 cities across 16 provinces, municipalities and autonomous regions in the PRC, with the contracted GFA was approximately 80.6 million sq.m..

MANAGEMENT DISCUSSION AND ANALYSIS

Others

Other segment during the Period mainly included construction management income, entrusted construction services income and other income. The total income of these remaining segments was approximately RMB587.89 million while that of the corresponding period of the previous year (restated) was approximately RMB180.21 million. The increase was mainly due to the construction management income contributed by C&D Holsin Engineering Consulting Co., Ltd, the acquisition of which was completed on 22 December 2021, during the Period.

Cost of Sales

Cost of sales increased by approximately RMB6,728.62 million from approximately RMB7,669.51 million for the corresponding period of the previous year (restated) to approximately RMB14,398.13 million for the Period. It was primarily attributable to the increase in saleable GFA sold and delivered during the Period.

Gross Profit and Gross Profit Margin

The gross profit amounted to approximately RMB1,213.69 million and RMB2,551.57 million for the six months ended 30 June 2021 (restated) and 2022, respectively, representing a gross profit margin of approximately 13.66% and 15.05% respectively, which represent an increase of approximately 1.39% as compared with the corresponding period of the previous year. The slightly increase in gross profit margin was mainly due to the higher gross profit margin level of projects delivered with income carried forward during the Period as compared with those for the corresponding period of the previous year.

Other Income

Other income amounted to approximately RMB291.13 million and RMB356.04 million for the six months ended 30 June 2021 (restated) and 2022, respectively. The increase was mainly due to an increase in the interest income during the Period.

Borrowing Costs

Borrowing costs incurred for the construction projects under development were capitalised during the Period. Other borrowing costs were expensed when incurred.

Total borrowing costs increased from approximately RMB3,000.20 million for the corresponding period of the previous year (restated) to approximately RMB4,651.48 million for the Period. The increase was mainly due to an increase in capital requirements raised by an increase in the number of projects.

Loss on Changes in Fair Value of Investment Properties

The loss on changes in fair value of investment properties was approximately RMB10.28 million during the Period (corresponding period of the previous year: loss of approximately RMB0.86 million). The loss reflected the adjustments in value of investment properties during the Period.

Administrative Expenses

Administrative expenses increased by approximately RMB185.31 million to approximately RMB123.09 million for the Period from approximately RMB308.40 million for the corresponding period of the previous year (restated). It was primarily due to the increase in labour cost during the Period.

Selling Expenses

Selling expenses increased by approximately RMB191.64 million to approximately RMB940.59 million for the Period from approximately RMB748.95 million for the corresponding period of the previous year (restated). It was primarily due to the increase in labour cost during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit before Income Tax

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB1,610.23 million for the Period, representing an increase of approximately RMB1,128.56 million from approximately RMB481.67 million in the corresponding period of the previous year (restated).

Income Tax Expense

Income tax expense increased from approximately RMB74.02 million in the corresponding period of the previous year (restated) to approximately RMB331.68 million for the Period. The increase in income tax expense was mainly due to the increase in income from property development during the Period.

Profit for the Period Attributable to the Equity Holders of the Company

The profit for the period attributable to the equity holders of the Company increased by approximately RMB516.80 million (an increase of approximately 158.89%) from approximately RMB325.26 million in the corresponding period of the previous year (restated) to approximately RMB842.07 million for the Period.

Liquidity and Financial Resources

The long-term funding and working capital required by the Group were primarily derived from income generated from core business operations, bank borrowings, loans from intermediate holding company and cash proceeds derived from receipt in advance from the pre-sale of properties, which were used to finance its business operations and investment in construction projects. The Group's liquidity position was well-managed during the Period.

The Group continued to adopt a prudent financing policy and sustain a sound capital structure with healthy cash flow. As at 30 June 2022, the Group's cash at banks and on hand amounted to approximately RMB35.77662 billion (as at 31 December 2021 (restated): approximately RMB48.35146 billion) while total assets and net assets (after deducting non-controlling interests) were approximately RMB395.88169 billion (as at 31 December 2021 (restated): approximately RMB346.08650 billion) and approximately RMB25.83574 billion (as at 31 December 2021 (restated): approximately RMB26.95173 billion), respectively. As at 30 June 2022, the Group's working capital amounted to approximately RMB121.60067 billion (as at 31 December 2021 (restated): approximately RMB118.56124 billion). As at 30 June 2022, the Group recorded net debt of approximately RMB48.29208 billion (as at 31 December 2021 (restated): approximately RMB37.50927 billion) with net debt to equity ratio of approximately 68.55% (as at 31 December 2021 (restated): approximately 58.36%).

As at 30 June 2022, the Group had (i) interest-bearing borrowings of approximately RMB649.95 million and approximately RMB14.70 million denominated in HK\$ and AUD respectively which bore an interest rate from 1.92% to 2.31% and at 4.52% (as at 31 December 2021: approximately RMB621.38 million and approximately RMB14.84 million which bore an interest rate from 1.95% to 2.75% and at 4.27%) per annum; and (ii) interest-bearing borrowings (including receipts under securitisation arrangements) of approximately RMB42.61382 billion denominated in RMB which bore an interest rate ranging from 3.3% to 6.5% (as at 31 December 2021: approximately RMB43.02909 billion which bore an interest rate ranging from 3.8% to 6.5%) per annum; and (iii) loans from intermediate holding company of approximately RMB39.52428 billion denominated in RMB which bore an interest rate at 4.81% (as at 31 December 2021: approximately RMB37.63787 billion which bore an interest rate at 4.81%) per annum; and (iv) the amounts due to non-controlling shareholders of the Company of approximately RMB12.87 million and approximately RMB1.25308 billion denominated in AUD and RMB respectively which bore an interest rate at 6% and ranging from 4.35% to 10% (as at 31 December 2021: approximately RMB12.34 million and approximately RMB3.65936 billion which bore an interest rate at 6% and ranging from 4.35% to 10%) per annum; and (v) the amounts due to associates of RMB nil (as at 31 December 2021: approximately RMB885.85 million which bore an interest rate ranging from 4.35% to 6% per annum), no particular trend of seasonality was observed for the Group's borrowing requirements for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gearing ratio (total borrowings divided by total equity) decreased to approximately 119.34% as at 30 June 2022 (as at 31 December 2021 (restated): approximately 133.60%) due to an increase in contribution from the non-controlling shareholders of the Company during the Period.

Of the total borrowings, approximately RMB9,231.32 million was repayable within one year while approximately RMB74.09118 billion was repayable after one year but within five years.

To manage liquidity risk, the Group monitored and maintained a level of cash and cash equivalents which the management considered to be adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group's management also monitored its net current assets/liabilities and the utilisation of borrowings to ensure efficient use of the available banking facilities and compliance with loan covenants.

Financial Guarantee Contracts

During the Period, the Group had arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. The balance was approximately RMB69,871.37 million as at 30 June 2022 (as at 31 December 2021: approximately RMB64,588.36 million). The increase was mainly attributable to the increase of real estate mortgage loan due to the increase of the sales of properties commenced to be sold in the Period.

Capital Commitments

Capital commitments were those contracts concluded but not provided for leasehold improvements, prepayments for intended cooperative projects concluded but not provided for allowance, nor for construction of properties under development. The balance of capital commitment was approximately RMB57,467.67 million as at 30 June 2022 (as at 31 December 2021: approximately RMB40,395.96 million). The increase was attributable to the increase in properties under development that concluded but not provided for allowance during the Period as compared to 2021.

Pledge of Assets

As at 30 June 2022, the Group's bank loan was secured by legal charges in respect of property, plant and equipment with carrying value of approximately RMB19.77 million (as at 31 December 2021: approximately RMB22.05 million), right-of-use assets with carrying value of approximately RMB10.80 million (as at 31 December 2021: approximately RMB10.93 million), investment properties with a fair value of approximately RMB656.00 million (as at 31 December 2021: approximately RMB684.46 million) and properties under development with carrying value of approximately RMB58.13618 billion (as at 31 December 2021: approximately RMB47.10244 billion).

Capital Structure

As at 30 June 2022, the Company's issued share capital was HK\$145,782,020.4, divided into 1,457,820,204 ordinary shares (the "Shares") of HK\$0.1 each (as at 31 December 2021: HK\$137,782,020.4 divided into 1,377,820,204 Shares).

Foreign Currency Exposure

The business operations of the Company's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Company's subsidiaries denominated mainly in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

As the Directors considered the Group's foreign exchange risk to be insignificant, the Group did not use any financial instruments for hedging purposes during the Period.

Contingent Liabilities

As at 30 June 2022, the Group did not have any material contingent liabilities (as at 31 December 2021: Nil).

Significant Investments

During the Period, the Group did not hold any significant investment or significant securities investment as part of its asset portfolio.

Employees and Emolument Policy

As at 30 June 2022, the Group employed a total of 16,834 full-time employees (as at 30 June 2021 (restated): 10,598 full-time employees (including C&D Property Group)). During the Period, total staff costs, including Directors' emoluments, of the Group were approximately RMB1,363.9 million (corresponding period of the previous year (restated): approximately RMB880.9 million). The Group reviewed the remuneration policies and packages on a regular basis and made necessary adjustment that to commensurate with the remuneration level in the industry. In addition to a basic monthly salary, year-end bonuses were offered to staff with outstanding performance. A share option scheme and a restricted share incentive scheme have been adopted to attract and retain eligible employees to contribute to the Group. The Group has established an online learning platform and provided various training courses to help employees enhance their work skills and competence and to accelerate their growth and development.

The aforementioned remuneration philosophy is applicable to the Directors. Apart from benchmarking against the market, the Company reviewed individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director.

KEY RISK FACTORS AND UNCERTAINTIES

The property market in the PRC is affected by a number of factors, such as changes in social, political, economic and legal environment and the government's undertakings of fiscal, economic, monetary, industrial and environmental policies. Changes in macro-economic conditions, consumer confidence, consumption spending and consumption preferences may also affect the Group's business. As such, the Group, taking into account the market situations, implements locally differentiated investment and marketing strategies and nurtures a number of projects across different regional markets so as to reduce reliance on individual markets. The Group's operation is exposed to a variety of idiosyncratic risks in property development, property investment and property related businesses. Default by buyers and partners, manual and systematic negligence or mistake in internal processes and other external factors may have impact on operation. The Epidemic may also have negative influence on the property development industry's operations and consumers' preferences to properties. In addition to the aforesaid factors, other risk factors and uncertainties may also exist.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENTS AFTER REPORTING PERIOD

Top-up Placing

On 12 July 2022 (after trading hours), the Company, Well Land, China Industrial Securities International Capital Limited and China International Capital Corporation Hong Kong Securities Limited (the “Placing Agents”) entered into the placing and subscription agreement, pursuant to which (i) Well Land agreed to appoint the Placing Agents as agents, and the Placing Agents agreed to procure purchasers to purchase, 30,000,000 Shares held by Well Land at a price of HK\$17.00 per Share (the “Placing”); and (ii) subject to completion of the Placing, Well Land agreed to subscribe for, and the Company agreed to allot and issue to Well Land, 30,000,000 new Shares at a subscription price of HK\$17.00 per Share (the “Subscription”). The Placing and the Subscription were completed on 21 July 2022. The net proceeds for the Placing and the Subscription (after deducting related costs and expenses) were approximately HK\$500 million.

Please refer to the Company’s announcements dated 12 July 2022 and 21 July 2022 for details of the Placing and the Subscription.

Scrip dividend scheme

Pursuant to the scrip dividend scheme in relation to the final dividend of the Company for the year ended 31 December 2021 (the “Scrip Dividend Scheme”), 105,200,687 Shares were allotted and issued on 15 July 2022. Please refer to the Company’s circular dated 17 June 2022 for details of the Scrip Dividend Scheme.

ADDITIONAL DISCLOSURES

Registration of lease agreements in the PRC

As disclosed in the prospectus of the Company dated 30 November 2012 (the “Prospectus”), some lease agreements in respect of certain investment properties in the PRC held or leased by the Group, which are required to be registered under the PRC laws, were not registered or registrable.

As at 30 June 2022, there were still 47 lease agreements pending to be registered due to the fact that the merchants shall bring their ID cards and go to the competent Real Estate Bureau together with relevant staff of the Group to complete the registration. However, the merchants did not actively assist the Company in completing such registration.

The Company will keep monitoring the registration status of these lease agreements with the aim of completing their registration as early as practicable.

Property ownership certificate of Wan Guo Plaza* (萬國廣場) (formerly named as Yu Feng High Street* (裕豐高街))

As disclosed in the Prospectus, following the refurbishment and renovation of Wan Guo Plaza* (萬國廣場), the property ownership certificate issued on 11 May 2012 in respect of the refurbished Wan Guo Plaza covered a GFA of 7,484 sq.m. It was later transpired that there was a shortfall in GFA of approximately 770 sq.m., which was yet to be covered under the property ownership certificate. The Group has delegated a senior management staff to keep liaising with the relevant PRC authorities and following up on the application procedure for a new property ownership certificate of Wan Guo Plaza.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, the application process for the new property ownership certificate was still ongoing. Given that the application for a new property ownership certificate under the above special circumstance is not one which is usually taken out before the relevant PRC authorities, the Group expects that the processing time would be longer than normally required. There was no indication from the PRC authorities as to how long such process would take. The Group will maintain its communication with the relevant PRC authorities closely so as to obtain the up-to-date status of the application progress until the new property ownership certificate covering the abovementioned shortfall in GFA is issued.

PROSPECT AND OUTLOOK

In the second half of 2022, the Company will continue to strengthen the “product + service” development drive model, stretch out with management founded upon products, adhere to the product doctrine, enhance service level, improve its overall competitiveness, and advance a balanced and coordinated “high quality, high quality” development.

(1) Continuously improve product quality, enhance service quality, and strengthen the brand of the Company

The Company remains committed to giving back the owners with “high-quality products and high-standard services”, pays attention to the needs and experience of living, continuously polishes product quality and improves customer satisfaction to meet the needs of customers at more levels. The Company will continue to give full play to its advantages in real estate development, expand its business territory in an orderly manner based on the existing three core regions, increase its market share, and strengthen its competitive edge in product and service quality in the existing market to create a regional scale effect.

(2) Extend the industry chain and synergistically develop multiple businesses to enhance value creation capability

On the basis of its real estate development business, the Company extends its property management, commercial assets management, entrusted construction and operation, design and construction and other related businesses for synergistic development; continues to consolidate the strategic layout of the real estate industry chain, insists on optimizing and improving the quality of services, enhances the value creation capability of the real estate industry chain and promotes the efficient and coordinated development of businesses among various segments.

(3) Improve teamwork, management effectiveness and team quality

Adhering to the corporate culture spirit of “solidarity, dedication, integrity and aggressiveness”, the Company will continue to actively promote a market-oriented incentive assessment mechanism, create a cadre entrepreneurial atmosphere of “those who can get on and those who are mediocre get off* (能者上、庸者下)”, forge an enterprising and efficient management team, form a development synergy, and construct an operation mode and management mechanism which are close to the market and can quickly respond to changes in the industry, so as to build a strong vitality for the long-term development of the Company.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long position in the shares of the Company

Name of Directors	Capacity/Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Mr. Zhuang Yuekai (Note 4)	Founder of a discretionary trust	47,250,068 (Note 2)	3.24%
	Beneficiary of a trust (other than a discretionary interest)	330,000 (Note 3)	0.02%
Ms. Zhao Chengmin	Founder of a discretionary trust	47,250,068 (Note 2)	3.24%
	Beneficiary of a trust (other than a discretionary interest)	330,000 (Note 3)	0.02%
Mr. Lin Weiguo	Interest of controlled corporation	47,250,068 (Note 2)	3.24%
	Beneficiary of a trust (other than a discretionary interest)	290,000 (Note 3)	0.02%

Notes:

- The percentage of shareholding was calculated based on the Company's total number of 1,457,820,204 shares in issue as at 30 June 2022.
- These Shares were registered in the name of Diamond Firetail Limited ("Diamond Firetail"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tricor Equity Trustee Limited ("Tricor Equity Trustee"). Tricor Equity Trustee is a trustee of a discretionary trust and each of Mr. Zhuang Yuekai and Ms. Zhao Chengmin is one of the founders of the said discretionary trust, while Mr. Lin Weiguo is one of the protectors of the said discretionary trust. Therefore, Mr. Zhuang Yuekai, Ms. Zhao Chengmin and Mr. Lin Weiguo are deemed to be interested in the Shares held by Diamond Firetail by virtue of the SFO.
- 35,300,000 Shares were allotted and issued to the trustee of the 2021 restricted share incentive scheme (the "Incentive Scheme"), who held the Shares on behalf of the incentive recipients of the Incentive Scheme. Being the incentive recipients of the Incentive Scheme, each of Mr. Zhuang Yuekai, Ms. Zhao Chengmin and Mr. Lin Weiguo is interested in 330,000 Shares, 330,000 Shares and 290,000 Shares held on trust by the trustee under the Incentive Scheme, respectively, which are subject to vesting.
- Mr. Zhuang Yuekai resigned as an executive Director on 25 August 2022.

OTHER INFORMATION

Long positions in the shares of the Company's associated corporation

Name of Directors	Name of our associated corporation	Capacity/ Nature of interest	Number of issued shares/ underlying shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Mr. Zhuang Yuekai (Note 3)	C&D Property	Founder of a discretionary trust	52,412,000 (Note 2)	3.92%
Ms. Zhao Chengmin	C&D Property	Founder of a discretionary trust	52,412,000 (Note 2)	3.92%
Mr. Lin Weiguo	C&D Property	Interest of controlled corporation	52,412,000 (Note 2)	3.92%

Notes:

- The percentage of shareholding was calculated based on C&D Property's total number of 1,336,261,106 ordinary shares in issue as at 30 June 2022.
- As at 30 June 2022, these ordinary shares of C&D Property were registered in the name of Diamond Firetail, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tricor Equity Trustee. Tricor Equity Trustee is a trustee of a discretionary trust and each of Mr. Zhuang Yuekai and Ms. Zhao Chengmin is one of the founders of the said discretionary trust, while Mr. Lin Weiguo is one of the protectors of the said discretionary trust. Therefore, Mr. Zhuang Yuekai, Ms. Zhao Chengmin and Mr. Lin Weiguo are deemed to be interested in the ordinary shares of C&D Property held by Diamond Firetail by virtue of the SFO.
- Mr. Zhuang Yuekai resigned as an executive Director on 25 August 2022.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, so far as it was known to any Directors or the chief executive of the Company, the following parties (other than a Director or the chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued Shares and underlying Shares:

Name of substantial Shareholders	Capacity/Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Well Land	Beneficial owner	904,295,699	62.03%
Well Honour International Limited (益鴻國際有限公司) ("Well Honour")	Interest of controlled corporation	904,295,699 (Note 2)	62.03%
C&D Real Estate	Interest of controlled corporation	904,295,699 (Note 2)	62.03%
Xiamen C&D Inc. (廈門建發股份有限公司)	Interest of controlled corporation	904,295,699 (Note 2)	62.03%
Xiamen C&D	Interest of controlled corporation	904,295,699 (Note 2)	62.03%
Mr. Richard Li	Interest of controlled corporation	122,495,426 (Note 3)	8.40%
OLP Capital Management Limited	Investment manager	122,495,426 (Note 3)	8.40%
RCWL Inc.	Interest of controlled corporation	122,495,426 (Note 3)	8.40%
Mr. Shen Di Fan	Interest of controlled corporation	122,495,426 (Note 3)	8.40%
Cederberg Capital (Cayman)	Interest of controlled corporation	82,926,264 (Note 4)	5.69%
Cederberg Capital (Cayman) GP	Interest of controlled corporation	82,926,264 (Note 4)	5.69%
Mr. Dawid Krige	Interest of controlled corporation	82,926,264 (Note 4)	5.69%

Notes:

- The percentage of shareholding was calculated based on the Company's total number of 1,457,820,204 shares in issue as at 30 June 2022.
- Well Land is a wholly-owned subsidiary of Well Honour. Well Honour is a wholly-owned subsidiary of C&D Real Estate. C&D Real Estate is owned as to 54.65% and 45.35% by Xiamen C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D, a state-owned group of companies under the supervision of Xiamen State-owned Assets Supervision and Admission Commission of Xiamen Municipal People's Government, respectively. Xiamen C&D is interested in Xiamen C&D Inc. as to 45.13%. Therefore, Well Honour, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D are deemed to be interested in the Shares held by Well Land by virtue of the SFO.
- As at 30 June 2022, OceanLink Partners Fund, LP and Cassini Partners, L.P. were interested in 80,851,843 and 41,643,583 Shares, respectively. As at 30 June 2022, OLP Capital Management Limited is the investment manager of OceanLink Partners Fund, LP and Cassini Partners, L.P.. OLP Capital Management Limited is owned by Mr. Shen Di Fan and RCWL Inc. as to 65% and 35%, respectively. RCWL Inc. is a company wholly owned by Mr. Richard Li. Therefore, each of Mr. Shen Di Fan, Mr. Richard Li, RCWL Inc., and OLP Capital Management Limited is deemed to be interested in the Shares held by OceanLink Partners Fund, LP and Cassini Partners, L.P..
- As at 30 June 2022, Cederberg Capital Limited was interested in 82,926,264 Shares. Cederberg Capital Limited is a wholly-owned subsidiary of Cederberg Capital (Cayman), with Mr. Dawid Krige being the only substantial shareholder. Cederberg Capital (Cayman) GP is the general partner of Cederberg Capital (Cayman). Therefore, each of Cederberg Capital (Cayman), Cederberg Capital (Cayman) GP and Mr. Dawid Krige is deemed to be interested in the Shares held by Cederberg Capital Limited.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") in 2012 for the purpose of providing incentives and rewards to eligible participants who have contributed or may contribute to the success of the Group's operations. The Share Option Scheme totally complies with the requirements of Chapter 17 of the Listing Rules after the listing of the Company's shares has been transferred from the GEM to the Main Board in 2014, and is therefore still effective after the transfer.

No share options were granted, exercised or cancelled by the Company or lapsed under the Share Option Scheme during the Period and there were no outstanding share options under the Share Option Scheme as at 1 January 2022 and 30 June 2022.

RESTRICTED SHARE INCENTIVE SCHEME

For the purpose of establishing and improving the Company's medium to long-term incentive mechanism to collectively integrate interests of the Shareholders, the Company and the Company's core team, fully motivate the management and core staff of the Company and achieve high-quality development of the Company, the Incentive Scheme was approved at the extraordinary general meeting of the Company on 9 June 2021. Pursuant to the Incentive Scheme, the Company allotted and issued 35,300,000 Shares to the trustee of the Incentive Scheme, who held the Shares on behalf of the incentive recipients of the Incentive Scheme until such restricted Shares are transferred to the relevant incentive recipient under the Incentive Scheme.

During the Period, details of the changes of restricted Shares are as follows:

Name of the incentive recipient	Position within the Group	Number of restricted Shares as at		Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Number of restricted Shares as at	
		1 January 2022	Date of grant					30 June 2022	Vesting Period (Note 1)
Mr. Zhuang Yuekai (Note 2)	Executive Director	330,000	29 June 2021	-	-	-	-	330,000	29 June 2021 to 28 June 2026
Ms. Zhao Chengmin	Executive Director	330,000	29 June 2021	-	-	-	-	330,000	29 June 2021 to 28 June 2026
Mr. Lin Weiguo	Executive Director and chief executive officer of the Company	290,000	29 June 2021	-	-	-	-	290,000	29 June 2021 to 28 June 2026
Sub-total		950,000		-	-	-	-	950,000	
Employees of the Group									
Senior management of the Company, directors, former directors, supervisor and general managers of the Company's subsidiaries	-	12,420,000	29 June 2021	-	-	-	-	12,420,000	29 June 2021 to 28 June 2026
Other employees of the Group	-	21,930,000	29 June 2021	-	-	-	230,000	21,700,000	29 June 2021 to 28 June 2026
Total		35,300,000		-	-	-	230,000	35,070,000	

Notes:

- All restricted Shares granted to the incentive recipients are subject to different lock-up periods. The restricted Shares shall be released starting from 24 months, 36 months and 48 months respectively from the grant date of the restricted Shares, respectively; and 40%, 30% and 30% of the restricted Shares will be released during each period, respectively.
- Mr. Zhuang Yuekai resigned as an executive Director on 25 August 2022.

OTHER INFORMATION

CHANGE IN DIRECTORS' INFORMATION

From 1 January 2022 to the date of this report, the change in Director's information is as follow:

With effect from 25 August 2022, (i) Mr. Zhuang Yuekai has resigned as an executive Director, the chairperson of the Board (the "Chairperson") and chairperson of the nomination committee of the Board (the "Nomination Committee"); (ii) Ms. Zhao Chengmin has been appointed as the Chairperson and the chairperson of the Nomination Committee; and (iii) Mr. Tian Meitan has been appointed as an executive Director. Please refer to the Company's announcements dated 25 August 2022 and 30 August 2022 for the details of the change of Director and the role and function of Director.

With effect from 25 August 2022, Mr. Lin Weiguo has been appointed as the chairman of the board of directors of C&D Property.

Save as disclosed above, there was no other change to information which is required to be disclosed by Directors pursuant to Rule 13.51B(1) of the Listing Rules.

RETIREMENT BENEFIT SCHEMES/PENSION SCHEME

Retirement benefits to employees are provided through defined contribution plans.

The retirement benefits costs charged in the income statement represent the contributions payable in respect of the Period to the retirement benefit schemes managed by respective local social security bureau in accordance with government regulations in different jurisdictions.

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

Save as the Placing and the Subscription, there were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules for dealings in securities of the Company by its directors. The Company has made specific enquiries to all Directors and each of them confirmed that they have complied with the Model Code during the Period.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (corresponding period of the previous year: HK\$1.1 per Share).

CORPORATE GOVERNANCE

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company had complied with all the code provisions as set out in Part 2 of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the Period.

OTHER INFORMATION

REVIEW OF RESULTS BY AUDIT COMMITTEE

The Board has established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee is assisting the Board to review financial information and reporting process, risk management and internal control system, effectiveness of internal audit function, scope of audit and appointment of external auditors, and arrangements for complaints from employees of the Company on potential misconducts in financial reporting, internal control or any other issues of the Company. The audit committee consists of all the independent non-executive Directors, namely, Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the Period and is of the opinion that such statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

APPRECIATION

The Group would like to take this opportunity to express its sincere gratitude to the Shareholders for their continuing support, and its appreciation to all staff members for the dedication and loyalty to the Group.

By order of the Board
C&D International Investment Group Limited
Zhao Chengmin
Chairperson and executive Director

Hong Kong, 26 August 2022

This report is prepared in both English and Chinese. In the event of inconsistency, the English text of the report shall prevail over the Chinese text.

* *Denotes English translation of the name of a Chinese company, entity and place and is provided for identification purpose only.*