



# 北京建設 BPHL

BEIJING PROPERTIES(HOLDINGS) LTD

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



2022  
Interim Report

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. QIAN Xu (*Chairman*)  
Mr. SIU Kin Wai (*Chief Executive Officer*)  
Mr. ZHAO Jiansuo  
Mr. ZHANG Xudong (*President*)  
Mr. DONG Qilin  
Mr. CHENG Ching Fu (*Chief Financial Officer*)  
Mr. YU Luning  
Mr. NG Kin Nam  
Mr. REN Lin (*appointed on 8 July 2022*)  
Mr. LI Changfeng (*resigned on 7 July 2022*)

#### Independent Non-Executive Directors

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

### AUDIT COMMITTEE

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

### INVESTMENT AND RISK MANAGEMENT COMMITTEE

Mr. SIU Kin Wai (*Chairman*)  
Mr. ZHANG Xudong  
Mr. DONG Qilin  
Mr. CHENG Ching Fu  
Mr. REN Lin (*appointed on 8 July 2022*)  
Mr. LI Changfeng (*resigned on 7 July 2022*)

### NOMINATION COMMITTEE

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

### REMUNERATION COMMITTEE

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

### COMPANY SECRETARY

Mr. CHENG Ching Fu

### STOCK CODE

925

### AUTHORIZED REPRESENTATIVES

Mr. QIAN Xu  
Mr. SIU Kin Wai

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

66th Floor Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong  
Tel: (852) 2511 6016  
Fax: (852) 2598 6905

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### AUDITOR

Ernst & Young

### WEBSITE

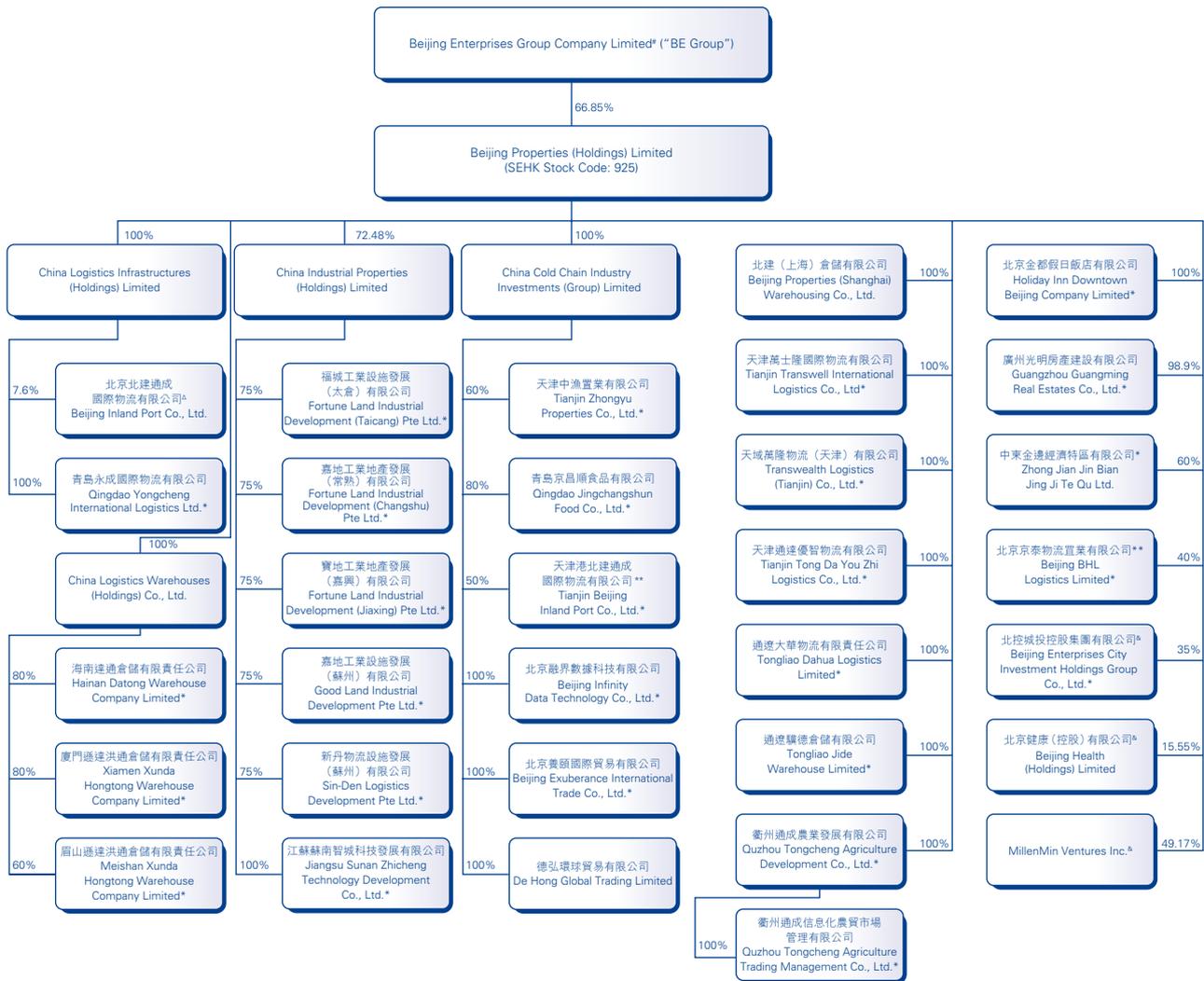
[www.bphl.com.hk](http://www.bphl.com.hk)

### PRINCIPAL BANKERS

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

# GROUP STRUCTURE

As at 30 June 2022



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

\* For identification purpose only

\*\* Joint venture

& Associate

△ Equity investments at fair value through other comprehensive income

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2022 (the “2022 Period”), the Group recorded a consolidated profit attributable to the shareholders of the Company of approximately HK\$20.23 million, representing an increase of approximately HK\$122.24 million as compared to the consolidated loss attributable to the shareholders of the Company of approximately HK\$102.01 million recorded in the six months ended 30 June 2021 (the “2021 Period”).

### BUSINESS REVIEW

The Group positioned itself as a professional property developer, focusing on logistics warehouses, cold storage, industrial factories and primary land development, while operating certain commercial projects.

The Group’s current projects are also listed below according to different categories.

#### 1) High-end and Modern Logistics Warehouses

High-end and Modern Logistics Warehouses are the developed projects that the Group gives preference to selling, and has completed the sale of 90% of interest of the Tongzhou District, Beijing project on 6 June 2022, therefore capital recovery of approximately RMB1,385,031,000 (equivalent to approximately HK\$1,622,690,000), and recording a gain on disposal of approximately RMB116,501,000 (equivalent to approximately HK\$140,779,000). The Group holds the remaining 10% of equity of the Tongzhou District project, and proposes to complete the sale before the end of 2022. Furthermore, the Pudong District, Shanghai project, the Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) project, the Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) project, the Tong’an District, Xiamen project, the Chengmai District, Hainan project, the Taicang, Jiangsu project and the Jiaozhou, Qingdao project under that category with the total of approximately 713,000 sq.m are also planning to sell orderly. The Group will issue an announcement to each Shareholder in relation to relevant development from time to time.

Location of warehouses	Notes	Planned and owned area (sq.m.)	Operating leaseable area (sq.m.)	Average occupancy rate for the six months ended 30 June	
				2022 (%)	2021 (%)
Pudong District, Shanghai <sup>1</sup>	(a)	211,555	211,555	51.22	53.37
Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) <sup>1</sup>	(b)	57,670	57,670	95.28	92.69
Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) <sup>1</sup>	(c)	16,083	16,083	100	100
Tong’an District, Xiamen <sup>1</sup>	(d)	92,466	92,466	77.99	100
Dongpo District, Meishan	(e)	97,809	97,809	58.26	66.41

## MANAGEMENT DISCUSSION AND ANALYSIS

Location of warehouses	Notes	Planned and owned area (sq.m.)	Operating leaseable area (sq.m.)	Average occupancy rate for the six months ended 30 June	
				2022 (%)	2021 (%)
Chengmai District, Hainan <sup>1</sup>	(f)	48,702	48,702	72.05	99.53
Ke'erqin District, Tongliao	(g)	31,113	31,113	78.21	70.61
Taicang, Jiangsu <sup>2</sup>	(h)	142,086	119,360	80.98	53.45
Jiaozhou, Qingdao <sup>3</sup>	(i)	145,170	—	—*	—*
		842,654	674,758		

\* Projects under construction

Notes:

- These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please refer to the announcement dated 18 March 2022 and circular dated 3 August 2022 of the Company.
  - These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please refer to the announcement dated 28 January 2022 and circular dated 3 March 2022 of the Company.
  - The Group intends to dispose of this project, for details, please refer to the announcement of the Company dated 31 December 2021.
- (a) In 2022, Shanghai experienced another outbreak of COVID-19 and the prevention and control situation was very critical. In order to effectively stop the chain of transmission of the epidemic, the city began to implement lockdown management at the end of March and did not resume work and production until 1 June. In the face of severe situation of lease and market pressure, the Shanghai warehouse strengthened its communication with the existing tenants, actively carried out the lease renewal work, and made full use of its resources to assist the tenants in optimizing their business environment. It vigorously expanded new tenant resources to identify the intention of existing tenants to expand their lease. As at 30 June 2022, the overall occupancy rate of the project was 50.86%, and the occupancy rate remained stable in the first half of the year. After unremitting efforts, the additional leased area was approximately 12,000 sq.m.
- (b) Tianjin Transwell International Logistics Co., Ltd. ("WSL Logistics"), the Tianjin (Tianjin Airport Zone) warehouse is still the sole secondary warehouse supervised by Customs within the Tianjin Binhai International Airport area. While Transwealith Logistics (Tianjin) Co., Ltd. ("Transwealith Logistics") remained fully occupied during 2022. The average occupancy rate of Phase I and II of Transwealith Logistics and WSL Logistics together for the year of 2022 was 95.28%.
- (c) Tianjin (Tianjin Port Zone) warehouse is located in the Tianjin Port Bonded Zone. The project has a total land area of 30,003 sq.m. and a total gross floor area of 16,083 sq.m. Currently the project has been fully leased to Kerry EAS Logistics Limited Tianjin Branch and remained fully leased in the first half of 2022, with stable revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

- (d) The Group operates five warehouses and two auxiliary buildings in Xiamen City, Fujian Province with a total leaseable area of 92,466 sq.m. As the original tenant vacated the warehouse due to their business adjustment, the warehouse was leased by three enterprises, which were well-known domestic e-commerce and warehouse distribution logistics companies, while the supporting rooms were leased by a local industrial company. As at the end of June 2022, the occupancy rate of the project was 93.98%. For the remaining warehouse area, the Group is negotiating with potential customers. It is expected that all investment promotion will be completed by the end of 2022, so that the warehouse will be fully leased.
- (e) The Group operates four warehouses in Dongpo District, Meishan City of Sichuan Province with a total leaseable area of approximately 97,809 sq.m. As at the end of 2021, the occupancy rate of the Meishan project declined, due to the surrender of leases by major customers upon expiry of the leases of approximately 12,000 sq.m, the epidemic and fierce competition in surrounding markets. Through the unremitting efforts of the team, the occupancy rate of the project increased and reached 61.42% by the end of June 2022.
- (f) The Group has two warehouses and complex dormitory buildings in Chengmai County, Haikou City, Hainan Province, with a total leaseable area of 48,702 sq.m. All enterprises which leased the properties were domestic large-scale e-commerce and well-known warehouse distribution logistics enterprises. The lease renewal was completed in 2021, with the occupancy rate of 77.39% by the end of June 2022. For the remaining warehouse area, the Group is negotiating with potential customers. It is expected that all investment promotion will be completed by the end of 2022, so that the warehouse will be fully leased.
- (g) The Group's Tongliao project is leased out as a logistics warehousing facility before commercial development. The project is strategically situated at a convenient location in the downtown area of Tongliao City close to the high speed rail station, with well-developed commercial facilities in its proximity. In the first half of the year, the project team overcame the adverse impact of the epidemic and continued to increase its efforts in attracting tenants, resulting in a steady increase in the overall occupancy rate. The average occupancy rate for the year of 2022 was 78.21%.
- (h) The Sin-Den project in Jiangsu, Taicang City consists of 2-storeyed high-end modern general warehouses with a floor area of approximately 150,524 sq.m. and a total leaseable area of approximately 142,086 sq.m. The project was completed in November 2020. The occupancy rate as of 30 June 2022 was 84.01%. As the metropolitan area of Shanghai continues to grow, certain industries inevitably have to relocate. With its prime location, it is expected to be fully leased as soon as possible.
- (i) In March 2019, the Group has acquired a piece of land located in Jiaozhou Economic and Technological Development Zone, Qingdao, along the west side of Jiaoda Avenue (交大大道) and the south side of Taohe Road (洮河路). The total area of the land is approximately 113,428 sq.m. The project enjoys a convenient location near the Jiaozhou Bay Express Highway (膠州灣高速) and Jiaozhou's airport, which is about to be put into operation. Under this project, three 2-storeyed general warehouses and one multistoried cold storage is planned to be constructed conforming with international standards. The total gross floor area is approximately 155,400 sq.m. and has a total leaseable area of approximately 145,170 sq.m., with a total investment amount of approximately RMB650 million. The project started in October 2019 and is expected to be completed by the end of 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 2) Supply Chain Development

The nationwide supply chain business is a business that the Group has extended and focused on relying on the existing online and offline cold chain and agricultural wholesale market infrastructure that has become mature, and further develops through the upstream and downstream through the self-developed online trading platform, with the aim of becoming a nationwide food supply chain business service provider. The supply chain business developed by the Group mainly provides integrated logistics services for high-value imported meat and aquatic products. With the rise of China's middle-class society, the demand for quality food is growing rapidly every year. However, due to the lack of reform in the industry for some time in the past, the supply chain industry in China remains subject to high input and low digitalisation, and recorded a slow growth. Hence, no leading enterprises have emerged in the industry. This presents the Group with a great opportunity for development. The Group's supply chain business has rolled out international trade service, cold chain storage service and electronic business system development service for frozen products. Its strategic objective is to establish the best comprehensive supply chain industry service platform in the PRC to save costs and increase revenue for its customers by making full use of information technologies while eliminating financial risk of financial institutions by realising full control over inventories, information and funds along the whole chain.

Details of the current cold storage under the supply chain business are as follows:

Location of warehouses	Notes	Planned and owned storage capacity (ton)	Operating leaseable storage capacity (ton)	Average occupancy rate for the six months ended 30 June	
				2022 (%)	2021 (%)
Hangu District, Tianjin	(a)	75,000	45,000	70.10	44.89
Chengyang District, Qingdao	(b)	8,000	8,000	100	36.33
Tianjin Port Area of Tianjin Free-Trade Zone <sup>Δ</sup>	(c)	45,000	–	–*	–*
		<u>128,000</u>	<u>53,000</u>		

<sup>Δ</sup> A joint venture of the Group

\* Projects under construction

## MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (a) The Tianjin Zhongyu cold chain warehouse is positioned to serve as a cold chain logistics hub and a processing and distribution centre for aquatic products in northern China. Occupying an area of approximately 31,301 sq.m., Phase I has both cold chain storage space and freezer with a total storage capacity of approximately 45,000 tons. Phase II of the project has obtained government approval and preliminary work is in progress. When operation commences, the total storage capacity of the Tianjin cold chain warehouse will reach 75,000 tons, thereby creating a comprehensive distribution centre that encompasses cold chain storage, light processing, showroom and cold chain delivery services. Due to the impact of COVID-19 outbreak at home and abroad on the whole cold chain industry, there was a continuous increase in the cost of epidemic prevention for cold storage and a decrease in the efficiency of shipment and warehousing of goods. For the period ended 2022, the combined average occupancy rate of the cold chain storage space and freezer was 70.10%. Since the commencement of its operation, the project has maintained sound operation and achieved stable business development.
- (b) The Qingdao cold chain warehouse is principally engaged in the operation of cold logistics storage facilities in Chengyang District of Qingdao, China. The site area and storage capacity of Phase I of this project are approximately 15,352 sq.m. and 8,000 tons, respectively. In 2021, the impact of the COVID-19 outbreak resulted in the postponement of stored goods of customers, the loss of certain customers, and the decrease in cold storage occupancy rate. Qingdao Jingchangshun Food Co., Ltd. adjusted its plan in a timely manner to increase investment promotion. Since the second half of 2021, cooperative operation of business has been carried out with Qingdao Yonghexun Logistics Storage and Transportation Co., Ltd. (青島永和訊物流儲運有限公司) for a term of ten years, with the occupancy rate of the cold storage reaching 100%.
- (c) Tianjin Beijing Inland Port Co., Ltd. is a joint venture established and held by the Group and Tianjin Port Group as to 50% each. The planned gross floor area is approximately 55,000 sq.m. with total investment of approximately RMB680 million. The project officially commenced construction in May 2020. The construction standard is three cold storages each occupying an area of approximately 10,000 sq.m. with a capacity of 15,000 tons. As of June 2022, the project has completed the acceptance inspection, and obtained the approval of first class Qualification, and has been undergoing the trial operation in the closed area.

Details of the agricultural wholesale market under the supply chain business are as follows:

With the approval of Quzhou government authorities, Quzhou Tongcheng Agriculture Development Co., Ltd. ("Quzhou Tongcheng") has been approved to establish a modern agricultural wholesale market project, including an agricultural exchange zone, which may be utilised as the new location for the existing exchange centre in the city following its relocation, as well as ancillary commercial facilities. The existing trading centre was granted the status of first class wholesale centre for agricultural products, serving a population of approximately 30 million people. The Quzhou agricultural shopping mall project will be constructed and developed in two phases. Phase I has a gross floor area of 41,282 sq.m. and was officially opened in August 2015. Phase II consists of three lots. Lots I and II have a gross floor area of 153,856 sq.m. and were officially opened in November 2017. Lot III is at the stage of sketch design refinement. As at 30 June 2022, the market had a leaseable area of 162,223 sq.m., including a wholesale trading zone, a comprehensive market trading zone, a storage service zone and a public ancillary market facility zone, in which the average occupancy rates of the wholesale trading zone and the storage service zone were 84.60% and 81.66% respectively, and the operation team is making continuous efforts to conduct internal regional adjustment of the existing assets in order to improve the overall occupancy rate and the rent unit price, so that the project can achieve profitability as soon as possible.

## MANAGEMENT DISCUSSION AND ANALYSIS

According to the Quzhou government authorities on the implementation of digital market work requirements, Quzhou agricultural shopping mall project to speed up the new retail upgrade and transformation of professional markets, the realization of online transactions and mobile payment and other new retail mode. It is expected that the digital smart agriculture wholesale system will be put online for trial operation in the fourth quarter of 2022, and the collection of unified settlement transaction commissions will be launched simultaneously. In order to effectively revitalize the assets, the operation team has broadened the ideas of investment and strengthened communication with the local government and large enterprises. In the first half of the year, a lease contract has been signed with a well-known enterprise for renting the 7# building of the commercial supporting area, and negotiations with the government department for the overall renting of the 5# and 6# buildings as isolated hotels have continued. It is expected that the occupancy rate of the commercial supporting area will increase significantly in the second half of the year.

Online services and trading platforms are the main drivers of the Group's supply chain business development, Coldeal (凍品e港) (formerly known as Frozen Products Exchange (凍品交易港)) (www.cciinet.com), version 3.0 (for commercial use), version H5 and App version were gradually optimized and launched with successful integration of online registration, trading and payment. The implementation of the online platform safety management plan, full product life cycle management and full media channel operation management were completed. An evaluation of information security level protection was completed, and the level of the security system was upgraded to level 3 of security protection 2.0, and the annual inspection is expected to be conducted in the second half of this year. As of 30 June 2022, the total number of registered users of Coldeal exceeded 54,845 (as of 8 August 2022, the number of registered users reached 63,351), with a total of 2,460 stores opened on it, 735 enterprises opened stores and 1,725 individuals opened stores. It entered into intentions of cooperation with Feimaoyunche Logistics (飛貓雲車物流), Shanghai Guangqi Cold Chain (上海廣齊冷鏈) and 冷網科技, respectively, on regional supply chain delivery services; and an intention of cooperation with Focus Media on frozen product merchant advertising. It also proactively expanded the ambassadorial channels and built up amicable relationships with meat, agriculture, husbandry and other industry organisations. Meanwhile, we have commenced in-depth strategic cooperation with enterprises in all segments along the supply chain industry chain. Services will be provided through cold storage partners at different locations. At the present stage, cooperation agreements have been reached with cold storage partners in, among other places, Dalian Bonded Logistics Park, Dalian Economic and Technological Development Zone, Fengxian District in Shanghai, Yangshan Free Trade Zone in Shanghai, Pudong New Area in Shanghai, Zhanjiang in Guangdong and Yantian District in Shenzhen. A storage network across coastal cities is basically completed. Current third-party cold chain logistics service partners include the cold chain branches of JD Logistics and SF Express. Overseas logistics service providers such as Kuehne-Nagel will be enlisted soon. Supported by the recently launched international trade services and an advanced Internet technology support system, an integrated service platform featuring the most comprehensive services and state-of-the-art technologies within the Chinese cold product industry will be established.

On 28 August 2021, Coldeal grandly held the "2nd 828 Frozen Product Exchange Festival" (第二屆828凍品交易節) featuring completely online demonstration and interaction activities using Internet technologies mainly based on the Coldeal app. 80 overseas suppliers, 20 representatives from different chambers of commerce, embassies and consulates general as well as 800 domestic buyers conducted online discussion about the integration, coordination and development of the industry. The consulates general in China, meat and seafood associations and other organisations from several countries supported this event, which will effectively strengthen and promote Coldeal and enhance its reputation in the industry by demonstrating its online and offline business strengths so as to lay down the foundation for further business growth. The "3rd 828 Frozen Product Exchange Festival" (第三屆828凍品交易節) is also under intense preparation, which will create a feast for the frozen products industry that combines offline and online.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3) Industrial Properties

In response to the demand for relocation of high-end manufacturing industries in Shanghai, the Group commenced the industrial property business at the end of 2016 and formed several non-wholly owned subsidiaries (held by the Group as to 75%) with SSinolog (China) Holding I Pte. Ltd. from Singapore to develop high-end factories for lease in Taicang, Changshu, Suzhou, and Changzhou in Jiangsu province, and Jiaxing in Zhejiang province. The Taicang, Jiangsu project as the Group's first industrial plants project has been incorporated since July 2017, thereafter completed the two Jiaxing, Zhejiang, Changshu, Jiangsu projects in May 2019 and completed the Suzhou, Jiangsu project in April 2020. Currently, except the Jiaxing, Zhejiang project, all the remaining three projects have fully occupied during 2022. Due to the value of the three projects has been completely nurtured, the Group therefore proposes to sell those projects. Relevant work has gradually been in progress.

The contents of each industrial plants project as follows:

Project location	Notes	Planned and owned area (sq.m.)	Operating leaseable area (sq.m.)	Average occupancy rate for the six months ended 30 June	
				2022 (%)	2021 (%)
Taicang, Jiangsu <sup>#</sup>	(a)	66,015	66,015	100	100
Suzhou, Jiangsu <sup>#</sup>	(b)	61,449	61,449	100	100
Jiaxing, Zhejiang	(c)	90,113	90,113	83.83	39.71
Changshu, Jiangsu <sup>#</sup>	(d)	169,687	169,687	100	94.92
Changzhou, Jiangsu	(e)	478,935	—	—*	—*
		<u>866,199</u>	<u>387,264</u>		

\* Projects under construction

<sup>#</sup> These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please see the announcement dated 28 January 2022 and circular dated 3 March 2022 of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (a) This project achieved full occupancy since January 2018. Many large European and U.S. smart manufacturing enterprises and high-end manufacturing enterprises are concentrated in the area where the project is located. The project has long-term leases with steady rental growth.
- (b) The occupancy rate of this project has been 100% since December 2020. The project is at a prime location with great accessibility and enjoys comprehensive local government funds supporting industrial development.
- (c) The project has been actively engaged in investment promotion since its completion with an average occupancy rate of 83.83% in the first half of 2022. The project is in a location adjacent to Shanghai and has great accessibility. The local government provides strong support to the manufacturing industry with comprehensive industry support funds and policies in place. The concentration of European and U.S. high-end manufacturing enterprises has generated economies of scale. Standardised, high-end and customised plants have been constructed.
- (d) The occupancy rate of this project as at 30 June 2022 was 100%. The project is at a prime location with well-planned facilities in the surrounding area. It has good accessibility, is in proximity to the expressway network and enjoys abundant local high-quality labour resources and ancillary facilities.
- (e) The Group also invested in an industrial park headquarters project located in Tianning Economic Development Zone in Changzhou, Jiangsu Province in January 2018. This project is planned to have a total land area of approximately 200 mu and a gross floor area of approximately 478,935 sq.m. With a total investment of approximately RMB2,000 million, it will be developed in two phases. Construction of Phase I has been completed and accepted on 30 June 2022 and is now actively being leased and sold, and the construction of Phase II is still under planning. A part of the gross floor area will be sold to speed up cash recovery. The project will be the first Internet economic platform cluster in Tianning District, Changzhou and will facilitate collective innovation and sustainable development of Internet + businesses with "intelligence sharing + smart manufacturing + smart products" by integrating three core concepts, namely smart manufacturing, smart technology and smart design. It will also perform commercial, leisure and other urban functions so as to transform Jiangsu Sunan Zhicheng Technology Park ("Jiangsu Sunan Zhicheng") into an industrial park that combines industry, city, the Internet and smart technologies. Jiangsu Sunan Zhicheng has already signed up with Changzhou Videoworks Technology Co., Ltd. (常州網博視界科技股份有限公司) ("Changzhou Videoworks"), a high-tech enterprise in the Internet+ industry, to jointly develop the "future video production base of China". This project is put on the list of key projects in Jiangsu Province in early 2020. Jiangsu Sunan Zhicheng was also granted the Major Investment Project Award by Tianning District, Changzhou. The saleable portion of the project is expected to commence in the first half of 2023.

#### 4) Belt and Road Initiative

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

The entry into force of the RCEP agreement on 1 January 2022 will brighten up the development and construction of the Sino-Cambodian project. The Group will tightly grasp this historical opportunity by setting up funds jointly with quality partners to fund the further development of the Sino-Cambodian project, and exploring new ideas to keep up with the rapid development of cross-border e-commerce in Southeast Asia, and fully considering how to deeply explore the advantages of the project under the changing market environment, so as to continuously improve the project.

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

### 5) Commercial Properties

- (a) Guangzhou Guangming Real Estates Co., Ltd. (“Guangzhou Guangming”) owns a 99% interest in Metro Mall, which is situated at the Beijing Road shopping district, Yuexiu District of Guangzhou City of China. The mall has a gross floor area of approximately 61,967 sq.m., and is a commercial complex providing dining, entertainment, shopping and cultural experience to young customers aged between 16 and 28. The occupancy rate of the owned area was approximately 87.81% for the period ended 2022.
- (b) Holiday Inn Downtown Beijing Company Limited (“BJ Holiday Inn”) is a wholly-owned subsidiary of the Group and is the owner of a four-star business and leisure hotel providing 333 elegantly decorated rooms to business travelers in North Lishi Road (near Financial Street, Xicheng District), Beijing. Due to industry-specific reasons, despite being a long-time leader in terms of occupancy rates among the Beijing Holiday Inn hotel brand, the hotel’s contribution to the Group’s profit remained limited. Thus, BJ Holiday Inn signed a contract on 12 November 2019 with Beijing Shouhou Healthcare and Elderly Care Enterprise Management Limited (北京首厚康健養老企業管理有限公司) to entrust its operations. The hotel ceased operation and commenced renovations in the first quarter of 2020. In accordance with the entrustment contract, the work is expected to be completed by the end of 2022, but due to the impact of the epidemic, the overall construction progress has been delayed, and the construction is expected to be completed in mid-2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS PROSPECTS

In the past, the Group, as a professional property developer, focused on heavy asset investment with high input costs and long payback period, of which the huge expenditure on finance costs directly affected the profitability of the company. Since 2019, the Group has made two significant changes to its business transformation. First, the Group has gradually withdrawn from the pan-property development field and no longer relies on heavy asset investment as its main business and profit growth point, and continues to promote the disposal of assets of mature projects to achieve the multiple objectives of capital recovery, profit realization and debt reduction. Secondly, we will further develop our supply chain industry and transform into a food supply chain service provider based on our existing cold storage resources and Internet platform. We are committed to empowering traditional industries with technological means, gradually participating in the food supply chain business, which is one of the necessities of people's livelihood, from the single cold chain warehousing business to the recurring profit by significantly increasing the proportion of service revenue and ensuring healthy capital flow, changing the past dilemma of long-term backlog of capital and inability to revitalize cash flow.

China's cold chain logistics is undergoing rapid development. With the frequent issuance of national standardization policies, continuous advancement in cold chain technology and gradually diversifying downstream demands, China's cold chain industry is expected to usher in a golden period of development. The Group will seize the opportunity, based on its high-quality cold chain projects, striving to create a leading comprehensive service platform for the imported frozen product industry – "Coldeal", and further to expand the cold chain businesses throughout upstream and downstream, namely forming "supply chain to platform to business" (S2B) and "Online to Offline" (O2O) business models featuring online with Coldeal as the core, and the offline with cold chain storage, processing and logistics as the core. Based on Internet technology, the platform provides communication and online trading services for overseas high-quality suppliers and domestic buyers through the front-end "Coldeal" and official account, the middle range enterprise ERP center, and the back-end CCII Big Data, and provides centralized procurement services for frozen products for customers such as restaurants, hotels, community convenience stores and supermarkets. At the same time, we use big data to empower trading, provide price indexes and supply chain accounting period services to reflect the actual market trend for frozen product enterprises, and meet the needs of customers in the whole industry chain of the supply chain through a multi-level membership service system, ultimately forming the supply chain frozen product industry ecosystem.

In the future, the Group will reduce its reliance on heavy assets and the speed of investment, and shift to a development model that combines light with heavy assets. With mature experience in logistics property, industrial property and cold chain business, we will increase the proportion of service business, and continue to reduce operating costs and financial expenses to achieve operating profit and positive cash flow, and continue to bring benefits to shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue and gross profit analysis

The revenue (net of value-added tax and government surcharges) for the 2022 Period amounted to approximately HK\$413.04 million, representing an increase of approximately HK\$111.77 million or 37.10%, from approximately HK\$301.27 million for the 2021 Period. The gross profit for 2022 Period amounted to approximately HK\$238.99 million, representing an increase of approximately HK\$25.51 million, or 11.95% from approximately HK\$213.48 million for the 2021 Period.

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

Name of assets	2022		2021		Change	
	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %
<b>High-end and modern general warehouses business</b>						
Shanghai	28,514		30,634		(2,120)	
Tianjin	17,336		17,241		95	
Xiamen	15,316		15,119		197	
Meishan	5,147		5,772		(625)	
Hainan	6,202		9,401		(3,199)	
Jiangsu	32,752		21,037		11,715	
Tongliao	1,511		1,217		294	
	<b>106,778</b>	<b>88.01</b>	100,421	91.21	6,357	(3.20)
<b>Cold chain logistics warehouses</b>						
Tianjin	39,917		29,444		10,473	
Qingdao	1,656		990		666	
	<b>41,573</b>	<b>45.79</b>	30,434	34.72	11,139	11.07
<b>Trading</b>						
Hong Kong	–		2,106		(2,106)	
Beijing	133,330		48,682		84,648	
	<b>133,330</b>	<b>3.92</b>	50,788	1.63	82,542	2.29

## MANAGEMENT DISCUSSION AND ANALYSIS

Name of assets	2022		2021		Change	
	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %
<b>Specialised wholesale markets</b>						
Quzhou Tongcheng	18,549	73.77	15,908	72.20	2,641	1.57
<b>Industrial properties</b>						
Taicang City, Jiangsu	13,380		14,242		(862)	
Suzhou City, Jiangsu	13,789		13,575		214	
Jiaxing City, Zhejiang	13,509		4,793		8,716	
Changshu City, Jiangsu	32,942		30,261		2,681	
	73,620	94.24	62,871	94.92	10,749	(0.68)
<b>Commercial properties</b>						
Guangzhou	14,780		16,686		(1,906)	
Beijing	24,413		24,166		247	
	39,193	96.15	40,852	96.25	(1,659)	(0.10)
The Group	413,043	57.86	301,274	70.86	111,769	(13)

### High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the 2022 Period amounted to approximately HK\$106.78 million, representing an increase of approximately HK\$6.36 million or 6.33% from approximately HK\$100.42 million for the 2021 Period. The increase was primarily attributable to the increase in average occupancy rate of Sin-Den project in Jiangsu from 53.45% for the 2021 Period to 80.98% for the 2022 Period.

### Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the 2022 Period amounted to approximately HK\$41.57 million, representing an increase of approximately HK\$11.14 million or 36.61% from approximately HK\$30.43 million for the 2021 Period. The increase was primarily attributable to the increase in average occupancy rate of Tianjian project from 44.89% for the 2021 Period to 70.10% for the 2022 Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Trading business

The revenue contribution of trading business for the 2022 Period amounted to approximately HK\$133.33 million, representing an increase of approximately HK\$82.54 million, or 162.51% from approximately HK\$50.79 million for the 2021 Period. The increase was primarily attributable to the impact caused by COVID-19 for the 2021 Period.

### Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the 2022 Period amounted to approximately HK\$18.55 million, representing an increase of approximately HK\$2.64 million, or 16.59%, from approximately HK\$15.91 million for the 2021 Period. The increase was attributable to the increase in average occupancy rate for the 2022 Period.

### Industrial properties

The revenue contribution of industrial properties for the 2022 Period amounted to approximately HK\$73.62 million, representing an increase of approximately HK\$10.75 million or 17.10% from approximately HK\$62.87 million for the 2021 Period. The increase was primarily attributable to the increase in occupancy rate of projects in Jiaxing City for the 2022 Period.

### Commercial properties

The revenue contribution of commercial properties for the 2022 Period amounted to approximately HK\$39.19 million, representing a decrease of approximately HK\$1.66 million or 4.06% from approximately HK\$40.85 million for the 2021 Period. The decrease was primarily attributable to the slightly decrease in average occupancy rate of Guangzhou project.

### Changes in fair value of investment properties, net

During the 2022 Period, net fair value gain of investment properties was approximately HK\$362.81 million, the gain was mainly attributable to the fair value increment of properties located in Jiangsu and Zhejiang.

### Other income and gains, net

During the 2022 Period, net other income and gains were approximately HK\$189.15 million, which represented an increase of approximately HK\$167.93 million, or 791.38%, from approximately HK\$21.22 million for the 2021 Period. The increase in net other income and gains was primarily related to the gain on disposal of subsidiaries.

### Selling and distribution expenses

During the 2022 Period, selling and distribution expenses were approximately HK\$3.01 million, which represented an increase of approximately HK\$1.82 million, or 152.94%, from approximately HK\$1.19 million for the 2021 Period.

### Administrative expenses

During the 2022 Period, administrative expenses were approximately HK\$103.31 million, which represented an increase of approximately HK\$7.78 million, or 8.14%, from approximately HK\$95.53 million for the 2021 Period. The increase in administrative expenses was mainly due to the professional fee for the disposal of subsidiaries.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other expenses

During the 2022 Period, other expenses were approximately HK\$5.56 million, which represented an increase of approximately HK\$3.68 million, or 195.74%, from approximately HK\$1.88 million for the 2021 Period. The increase in other expenses was mainly due to provision for compensation for Guangzhou project.

### Finance costs

During the 2022 Period, finance costs were approximately HK\$293.28 million, representing an increase of approximately HK\$2.04 million, or 0.70%, from approximately HK\$291.24 million for the 2021 Period. The finance costs included: (i) interest on bank and other loans of approximately HK\$108.41 million (2021 Period: approximately HK\$107.12 million); and (ii) interest on USD guaranteed bonds of approximately HK\$184.87 million (2021 Period: approximately HK\$184.12 million).

### Share of profits and losses of joint ventures

During the 2022 Period, the share of losses of joint ventures of approximately HK\$4.34 million as compared to share of profits of joint ventures of approximately HK\$85.56 million for the 2021 Period, which was primarily related to the increase in fair value increment in investment properties of BIPL for 2021 Period while no fair value change in investment properties for 2022 Period.

### Share of losses of associates

During the 2022 Period, the share of losses of associates of approximately HK\$2.67 million was contributed by share the results of Beijing Health Holdings Limited, a listed company on The Stock Exchange of Hong Kong Limited and Beijing Enterprises City Investment Holdings Group Co., Ltd. ("BE City Investment").

### Income tax expense

Income tax expense for the 2022 Period included current income tax of HK\$47.53 million (2021 Period: HK\$5.49 million). Deferred tax expense for the 2022 Period was HK\$164.82 million (2021 Period: HK\$31.25 million) which arose from the change in the fair value of investment properties.

### Investment properties

Investment properties decreased by approximately HK\$3,636.06 million, which was mainly due to the net effect of (i) the construction of warehouse of HK\$22.10 million; (ii) the increase in fair value of HK\$362.81 million; (iii) the transfer of HK\$3,321.54 million to assets of disposal group classified as held for sale; and (iv) the exchange realignment of HK\$699.43 million.

### Goodwill

Goodwill represented the acquisition in previous years for logistics warehouse business and commercial property business. The decrease in balance was due to reallocation of goodwill to assets of disposal group classified as held for sale.

### Interests in joint ventures

Interests in joint ventures decreased by approximately HK\$17.19 million, mainly due to the net effect of (i) share of losses of HK\$4.34 million during the 2022 Period; and (ii) the exchange realignment of HK\$9.85 million during the 2022 Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interests in associates

Interests in associates decreased by approximately HK\$27.07 million, mainly due to the net effect of (i) share of losses of HK\$2.67 million during the 2022 Period; (ii) share of translation reserve of HK\$10.18 million; and (iii) the exchange realignment of HK\$13.42 million.

### Equity investments at fair value through other comprehensive income

Equity investments increased by approximately HK\$157.09 million, which was mainly attributable to the remaining 10% shareholding of BIPL.

### Land held for development or sale

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

### Properties under development or held for sale

Properties under development or held for sale represented properties located in Jiangsu for the industrial property business. The increase in balance was mainly due to construction progress during the 2022 Period.

### Cash and cash equivalents (including restricted cash)

Cash and cash equivalents decreased by HK\$412.08 million, mainly due to the net effect of (i) proceeds from disposal of subsidiaries of HK\$1,616.53 million; (ii) net repayment of bank and other borrowings of HK\$929.03 million; (iii) interest paid of HK\$269.60 million; (iv) addition of investment properties of HK\$22.10 million; (v) settlement for the construction cost of land held for development or sale of HK\$382.14 million; and (vi) settlement of funding granted by Beijing Enterprises City Development Group Limited ("BE City", the intermediate holding company of the Company) of HK\$422.94 million.

### Held for sale

Held for sale represented assets and liabilities of disposal groups from (i) 6 logistic groups; and (ii) CS Group, TCIII Group, TCIV Group and WZ Group. The disposal groups are required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of State-controlled assets. As the transaction has not been completed, the assets and liabilities from the Disposal Group are classified into held for sale as at 30 June 2022. For more details, please refer to (i) the announcements of the Company dated 18 March 2022, and the circular of the Company dated 3 August 2022; and (ii) the announcements of the Company dated 28 January 2022, and the circular of the Company dated 3 March 2022.

### Due to other related parties

Due to other related parties decreased by HK\$471.43 million (non-current portion decreased by HK\$7.91 million and current portion decreased by HK\$463.52 million), mainly due to the net effect of (i) settlement of funding granted by BE City of HK\$422.94 million; (ii) settlement of interest payable to a loan from Beijing Enterprises City Development Limited ("BE City Development", a fellow subsidiary of the Company) of HK\$55.16 million; and (iii) funding granted by the non-controlling shareholder of the Company's subsidiary located in Singapore of HK\$12.83 million.

### Bank and other borrowings

Bank and other borrowings decreased by HK\$1,397.53 million (non-current portion decreased by HK\$765.59 million and current portion decreased by HK\$631.94 million), mainly due to the net effect of (i) utilizing to finance for the construction and operation of projects in the PRC of HK\$395.24 million; (ii) transfer of bank and other borrowings to liabilities directly associated with the assets of disposal groups classified as held for sale of HK\$422.86 million; (iii) settlement of funding granted from BE City Development of HK\$725.04 million; and (iv) settlement of bank and other borrowings of HK\$599.23 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Guaranteed bonds

Guaranteed bonds represented a 3 years' period bond issued in February 2020 which has a par value of USD600 million and additionally issued in August 2020 which has a par value of USD150 million. The Group repurchased a par value of USD10.30 million in 2021.

### Liquidity and financial resources

As at 30 June 2022, for accounting purposes, the Group had total borrowings of approximately HK\$9,343.06 million (31 December 2021: approximately HK\$10,728.07 million) which included: (i) approximately HK\$3,593.18 million from bank and other borrowings; and (ii) approximately HK\$5,749.88 million from USD guaranteed bonds. The Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 159.97% (31 December 2021: approximately 168.80%).

As at 30 June 2022, the Group's balance of bank and other borrowings amounted to approximately HK\$3,593.18 million, which was denominated in United States dollars ("USD"), Hong Kong dollars ("HK\$") and Renminbi ("RMB") as to 29.71%, 22.61% and 47.68%, respectively. 48.23% of these bank and other borrowings was repayable less than one year. As at 30 June 2022, the Group's cash and bank balances amounted to approximately HK\$776.20 million, which were denominated in USD, HK\$ and RMB as to 37.19%, 27.95% and 34.86%, respectively. Bank and other borrowings of an aggregate amount of HK\$3,358.98 million bear interest at floating rates, the USD guaranteed bonds issued in February 2020 and August 2020 bear coupon rates of 5.95% per annum. The cash and bank balances, together with the unutilized banking facilities, are sufficient to finance the Group's businesses at the moment.

As at 30 June 2022, the Group's current ratio and quick ratio were approximately 84.73% and 65.15%, respectively (31 December 2021: approximately 131.25% and 97.31%, respectively).

The net total borrowings of the Group as at 30 June 2022 (total borrowings less cash and cash equivalents and restricted cash) was HK\$8,566.86 million (31 December 2021: HK\$9,539.79 million), representing a decrease of HK\$972.93 million as compared to the previous year.

### Contingent liabilities

As at 30 June 2022, the Group had no contingent liabilities (31 December 2021: Nil).

### Capital expenditures

During the 2022 Period, the Group spent approximately HK\$22.61 million (2021 Period: approximately HK\$26.66 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

### Capital commitments

As at 30 June 2022, the Group had outstanding contracted capital commitments amounted to approximately HK\$879.76 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB642.96 million (equivalent to approximately HK\$752.90 million) committed for logistic facilities and industrial plants.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$122.96 million) payable for BE City Investment.
- the outstanding capital injection of approximately USD500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Treasury policies

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

### Foreign exchange exposure

The Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in USD. Meanwhile, fluctuations of exchanges rates would impact our net assets value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Group would record a(n) increase/decrease in our net assets value, as part of the Group's borrowings and cash balances are denominated in HK\$ and USD. During the 2022 Period, the Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on our Group.

### Charges on assets

As at 30 June 2022, the Group had bank loans with principal amounts of approximately HK\$1,471.79 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Group and all of which were guaranteed by the Company.

### Litigations

As at 30 June 2022, the Group had no pending litigation.

### INTERIM DIVIDEND

The Board has resolved not to recommended the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had a total of 523 (30 June 2021: 515) employees. Total staff cost incurred during the 2022 Period amounted to approximately HK\$51.81 million (2021 period: HK\$48.21 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

### APPRECIATION

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

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

Hong Kong, 30 August 2022

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
REVENUE	4	<b>413,043</b>	301,274
Cost of sales and services		<b>(174,056)</b>	(87,795)
Gross profit		<b>238,987</b>	213,479
Change in fair value of investment properties, net		<b>362,812</b>	32,120
Other income and gains, net	4	<b>189,152</b>	21,220
Selling and distribution expenses		<b>(3,014)</b>	(1,194)
Administrative expenses		<b>(103,307)</b>	(95,531)
Other expenses, net		<b>(5,559)</b>	(1,881)
Finance costs	5	<b>(293,278)</b>	(291,238)
Share of profits and losses of:			
Joint ventures		<b>(4,339)</b>	85,558
Associates		<b>(2,666)</b>	(5,028)
PROFIT/(LOSS) BEFORE TAX	6	<b>378,788</b>	(42,495)
Income tax	7	<b>(212,352)</b>	(36,742)
PROFIT/(LOSS) FOR THE PERIOD		<b>166,436</b>	(79,237)
Attributable to:			
Shareholders of the Company		<b>20,232</b>	(102,007)
Non-controlling interests		<b>146,204</b>	22,770
		<b>166,436</b>	(79,237)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	9	<b>HK0.29 cents</b>	HK(1.46) cents

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>166,436</b>	(79,237)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	<b>(381,983)</b>	98,046
– Share of other comprehensive income/(loss) of:		
Joint ventures	<b>(63,298)</b>	25,808
Associates	<b>(10,182)</b>	(961)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>(455,463)</b>	122,893
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
– Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax of nil	<b>(5,894)</b>	(5,463)
– Share of other comprehensive loss of associates	<b>(801)</b>	(3,924)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<b>(6,695)</b>	(9,387)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX OF NIL</b>	<b>(462,158)</b>	113,506
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(295,722)</b>	34,269
Attributable to:		
Shareholders of the Company	<b>(401,695)</b>	2,292
Non-controlling interests	<b>105,973</b>	31,977
	<b>(295,722)</b>	34,269

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>515,605</b>	548,951
Investment properties	10	<b>4,828,955</b>	8,465,009
Right-of-use assets		<b>71,410</b>	75,293
Goodwill		<b>40,801</b>	172,401
Interests in joint ventures		<b>219,093</b>	236,283
Interests in associates		<b>649,715</b>	676,785
Equity investments at fair value through other comprehensive income		<b>177,969</b>	20,881
Prepayments, other receivables and other assets		<b>9,895</b>	10,358
Land held for development or sale		<b>4,158,196</b>	4,159,955
Pledged and restricted bank deposits		<b>283</b>	987
Total non-current assets		<b>10,671,922</b>	14,366,903
<b>CURRENT ASSETS</b>			
Properties under development		<b>43,246</b>	1,811,752
Properties held for sale		<b>1,948,627</b>	99,083
Inventories		<b>190,216</b>	68,498
Trade receivables	11	<b>113,745</b>	90,522
Prepayments, other receivables and other assets		<b>298,059</b>	240,818
Due from joint ventures		<b>5,720</b>	57,841
Due from related companies		<b>112</b>	–
Pledged and restricted bank deposits		<b>3,691</b>	99,973
Cash and cash equivalents		<b>772,230</b>	1,087,321
Assets of disposal groups classified as held for sale		<b>6,067,569</b>	4,099,819
Total current assets		<b>9,443,215</b>	7,655,627

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
<b>CURRENT LIABILITIES</b>			
Trade payables	12	462,907	661,193
Other payables and accruals		581,061	624,255
Due to other related parties		78,770	542,291
Bank and other borrowings		1,732,934	2,364,872
Guaranteed bonds		5,749,884	–
Income tax payables		69,220	49,260
Provision for compensation		236,904	249,863
		<b>8,911,680</b>	4,491,734
Liabilities directly associated with the assets of disposal groups classified as held for sale		<b>2,232,869</b>	1,341,286
Total current liabilities		<b>11,144,549</b>	5,833,020
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(1,701,334)</b>	1,822,607
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,970,588</b>	16,189,510
<b>NON-CURRENT LIABILITIES</b>			
Due to a joint venture		207,043	216,731
Due to other related parties		65,527	73,434
Bank and other borrowings		1,860,247	2,625,838
Guaranteed bonds		–	5,737,361
Deferred revenue		84,756	88,618
Defined benefit obligations		13,733	14,375
Deferred tax liabilities		1,384,082	1,781,466
Total non-current liabilities		<b>3,615,388</b>	10,537,823
Net assets		<b>5,355,200</b>	5,651,687
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	13	696,933	696,933
Reserves		2,309,706	2,712,166
		<b>3,006,639</b>	3,409,099
<b>Non-controlling interests</b>		<b>2,348,561</b>	2,242,588
Total equity		<b>5,355,200</b>	5,651,687

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to shareholders of the Company													
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Property revaluation reserve (Unaudited) HK\$'000	Capital and other reserves (Unaudited) HK\$'000	Financial	Defined benefit plan reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	PRC statutory reserves (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
							asset							
							revaluation reserve (Unaudited) HK\$'000							
At 1 January 2022	696,933	1,762,147	367,278	57,399	(9,743)	(37,322)	(122,047)	(8,007)	100,927	26,520	575,014	3,409,099	2,242,588	5,651,687
Profit for the period	-	-	-	-	-	-	-	-	-	-	20,232	20,232	146,204	166,436
Other comprehensive income/(loss) for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(341,752)	-	-	(341,752)	(40,231)	(381,983)
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(5,894)	-	-	-	-	(5,894)	-	(5,894)
- Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	-	(63,298)	-	-	(63,298)	-	(63,298)
- Share of other comprehensive loss of associates	-	-	-	-	-	(475)	(326)	-	(10,182)	-	-	(10,983)	-	(10,983)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(475)	(6,220)	-	(415,232)	-	20,232	(401,695)	105,973	(295,722)
Transfer to reserve	-	-	-	-	-	30,594	-	-	-	2,057	(32,651)	-	-	-
Transfer of share option reserve upon expiry of share options	-	-	-	(17,095)	-	-	-	-	-	-	17,095	-	-	-
Disposal of subsidiaries	-	-	-	-	-	(164,854)	-	-	(765)	-	164,854	(765)	-	(765)
At 30 June 2022	696,933	1,762,147*	367,278*	40,304*	(9,743)*	(172,057)*	(128,267)*	(8,007)*	(315,070)*	28,577*	744,544*	3,006,639	2,348,561	5,355,200
At 1 January 2021	696,933	1,762,147	367,278	164,113	(9,743)	(73,921)	(118,825)	(6,996)	(176,932)	19,950	864,254	3,488,258	2,183,911	5,672,169
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(102,007)	(102,007)	22,770	(79,237)
Other comprehensive income/(loss) for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	88,839	-	-	88,839	9,207	98,046
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(5,463)	-	-	-	-	(5,463)	-	(5,463)
- Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	-	25,808	-	-	25,808	-	25,808
- Share of other comprehensive loss of associates	-	-	-	-	-	(1,334)	(2,590)	-	(961)	-	-	(4,885)	-	(4,885)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,334)	(8,053)	-	113,686	-	(102,007)	2,292	31,977	34,269
Transfer to reserve	-	-	-	-	-	-	-	-	-	1,913	(1,913)	-	-	-
Transfer of share option reserve upon forfeiture of share options	-	-	-	(102,358)	-	-	-	-	-	-	102,358	-	-	-
At 30 June 2021	696,933	1,762,147	367,278	61,755	(9,743)	(75,255)	(126,878)	(6,996)	(63,246)	21,863	862,692	3,490,550	2,215,888	5,706,438

\* These reserve accounts comprise the consolidated reserves of HK\$2,309,706,000 (Unaudited)(31 December 2021: HK\$2,712,166,000) in the condensed consolidated statement of financial position as at 30 June 2022.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net cash flows used in operating activities</b>	<b>(339,682)</b>	(131,668)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(509)	(2,096)
Payment on additions of investment properties	(45,337)	(12,784)
Investment in an equity investment	(121)	–
Disposal of subsidiaries (note 14)	1,616,530	–
Repayment of loans advanced to a joint venture	30,210	18,033
Interest received	6,960	2,123
Decrease/(increase) in time deposits with maturity of more than three months when acquired	8,943	(14)
<b>Net cash flows from investing activities</b>	<b>1,616,676</b>	5,262
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New loans	395,238	202,464
Repayment of loans	(1,324,272)	(86,259)
Advances from/(repayment to) other related parties, net	(439,950)	401
Interest paid	(269,602)	(281,155)
<b>Net cash flows used in financing activities</b>	<b>(1,638,586)</b>	(164,549)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(361,592)</b>	(290,955)
Cash and cash equivalents at beginning of period	1,266,772	839,152
Effect of foreign exchange rate changes, net	(31,867)	(10,196)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>873,313</b>	538,001
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	<b>772,230</b>	425,591
Add: Restricted cash and pledged deposits in connection with bank borrowings	<b>3,974</b>	14,893
Add: Cash and cash equivalents attributable to disposal groups held for sale	<b>98,514</b>	100,023
Less: Non-pledged time deposits with original maturity of more than three months when acquired	–	(2,506)
Less: Time deposits with original maturity of more than three months when acquired, pledged as security for bank borrowings	<b>(1,405)</b>	–
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	<b>873,313</b>	538,001
Note: Net cash flows from operating activities comprises:		
Operating cash flows before including cost related to land and properties held for development or sale	<b>42,912</b>	79,629
Cost related to land and properties held for development or sale	<b>(382,594)</b>	(211,297)
Net cash flows used in operating activities	<b>(339,682)</b>	(131,668)

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

## 1. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim condensed consolidated financial information does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2021 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which became effective for the first time for the current period's financial statements, as further detailed in note 2 below.

In preparing the interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity requirements, operating performance and available sources of financing of the Group in light of the fact that the Group had net current liabilities of approximately HK\$1,701 million, which included net assets of HK\$3,835 million contributed by disposal groups classified as held for sale and guaranteed bonds of US\$740 million (equivalent to HK\$5.74 billion) being due in February 2023.

In the opinion of directors of the Company, whether the Group will generate adequate cash flows to continue as a going concern would depend on (i) the successful refinancing before the existing guaranteed bonds being due and (ii) the completion of the proposed disposal disclosed in the Company's circular dated 3 August 2022 (the "Proposed Disposal"), or failing which, the success in (iii) obtaining the continual financial support and funding from Beijing Enterprises City Development Group Limited ("BE City"), the Company's intermediate holding company and (iv) obtaining a standby facility provided by Beijing Enterprises Group Company Limited ("BE Group"), the ultimate controlling shareholder of the Company, which can fully cover the existing guaranteed bonds outstanding balance, in accordance with the keepwell and liquidity support deed signed between the Group and BE Group in connection with the issue of the Company's guaranteed bonds in February 2020.

Should the aforesaid refinancing be delayed, and the Proposed Disposal be incomplete or the financial facility and undertaking from BE Group and BE City not be obtained, the Group may be unable to continue as a going concern, in which case adjustments would have to be made to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendment to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 2. CHANGES IN ACCOUNTING POLICIES (Continued)

- (d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
  - HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	For the six months ended											
	30 June 2022 (Unaudited) HK\$'000	30 June 2021 (Unaudited) HK\$'000										
<b>Segment revenue:</b>												
Sales to external customers	39,193	40,852	166,900	146,763	73,620	62,871	133,330	50,788	-	-	413,043	301,274
<b>Segment results:</b>												
The Group	20,539	34,995	246,471	97,989	263,238	60,699	(3,562)	(5,220)	(506)	(623)	526,180	187,840
Share of profits/(losses) of:												
Joint ventures	-	-	(4,339)	85,558	-	-	-	-	-	-	(4,339)	85,558
Associates	(6,296)	(414)	-	-	-	-	-	-	3,630	(4,614)	(2,666)	(5,028)
	14,243	34,581	242,132	183,547	263,238	60,699	(3,562)	(5,220)	3,124	(5,237)	519,175	268,370
Reconciliation:												
Gain on disposal of subsidiaries (note 14)											140,779	-
Bank interest income											6,960	2,123
Other interest income											335	2,506
Foreign exchange differences, net											26,307	5,324
Corporate and other unallocated income and expenses, net											(21,490)	(29,580)
Finance costs											(293,278)	(291,238)
Profit/(loss) before tax											378,788	(42,495)

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021						
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
<b>Segment assets</b>	<b>2,953,998</b>	3,068,190	<b>7,459,850</b>	9,147,880	<b>3,936,516</b>	3,856,283	<b>451,789</b>	149,850	<b>4,404,821</b>	4,413,843	<b>19,206,974</b>	20,636,046
Reconciliation:												
Corporate and other unallocated assets											<b>908,163</b>	1,386,484
Total assets											<b>20,115,137</b>	22,022,530
<b>Segment liabilities</b>	<b>423,519</b>	438,138	<b>1,616,969</b>	780,878	<b>1,285,556</b>	1,583,701	<b>149,697</b>	25,763	<b>10</b>	10	<b>3,475,751</b>	2,828,490
Reconciliation:												
Corporate and other unallocated liabilities											<b>11,284,186</b>	13,542,353
Total liabilities											<b>14,759,937</b>	16,370,843

#### Geographical information

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

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Mainland China	<b>6,363,466</b>	10,214,368
Cambodia	<b>4,120,309</b>	4,120,309
	<b>10,483,775</b>	14,334,677

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 3. OPERATING SEGMENT INFORMATION (Continued)

#### Information about major customers

During the six months ended 30 June 2022 and the six months ended 30 June 2021, the Group had no single external customer which contributed over 10% of the Group's total revenue for each of these periods.

### 4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents (1) the gross rental income received and receivable from investment properties, net of value-added tax and government surcharges; (2) the logistics and other ancillary services income from respective services rendered, net of value-added tax and government surcharges; (3) the management fee income from the property management services rendered, net of value-added tax and government surcharges; and (4) trading income, net of value-added tax and government surcharges.

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
<i>Revenue from contracts with customers</i>	<b>204,517</b>	106,595
<b>Revenue from other sources</b>		
Gross rental income from investment property operating leases		
– Other lease payments, including fixed payments	<b>208,526</b>	194,679
	<b>413,043</b>	301,274
<b>Other income</b>		
Bank interest income	<b>6,960</b>	2,123
Other interest income	<b>335</b>	2,506
Government grants	<b>5,177</b>	2,078
Others	<b>9,594</b>	9,189
	<b>22,066</b>	15,896
<b>Gains, net</b>		
Gain on disposal of subsidiaries (note 14)	<b>140,779</b>	–
Foreign exchange differences, net	<b>26,307</b>	5,324
	<b>189,152</b>	21,220

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 4. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2022

Segments	Property business HK\$'000	Logistics business HK\$'000	Industrial business HK\$'000	Trading business HK\$'000	Primary land development business HK\$'000	Total HK\$'000
<b>Types of goods or services</b>						
Logistics and other ancillary services	–	42,092	–	–	–	42,092
Property management fee	1,187	16,379	11,529	–	–	29,095
Sale of frozen products	–	–	–	133,330	–	133,330
Total revenue from contracts with customers	1,187	58,471	11,529	133,330	–	204,517
<b>Geographical markets</b>						
Mainland China	1,187	58,471	11,529	133,330	–	204,517
Total revenue from contracts with customers	1,187	58,471	11,529	133,330	–	204,517
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	–	–	–	133,330	–	133,330
Services transferred over time	1,187	58,471	11,529	–	–	71,187
Total revenue from contracts with customers	1,187	58,471	11,529	133,330	–	204,517

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 4. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2021

Segments	Property business HK\$'000	Logistics business HK\$'000	Industrial business HK\$'000	Trading business HK\$'000	Primary land development business HK\$'000	Total HK\$'000
<b>Types of goods or services</b>						
Logistics and other ancillary services	–	31,092	–	–	–	31,092
Property management fee	1,044	14,133	9,538	–	–	24,715
Sale of frozen products	–	–	–	50,788	–	50,788
Total revenue from contracts with customers	1,044	45,225	9,538	50,788	–	106,595
<b>Geographical markets</b>						
Mainland China	1,044	45,225	9,538	48,682	–	104,489
Hong Kong	–	–	–	2,106	–	2,106
Total revenue from contracts with customers	1,044	45,225	9,538	50,788	–	106,595
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	–	–	–	50,788	–	50,788
Services transferred over time	1,044	45,225	9,538	–	–	55,807
Total revenue from contracts with customers	1,044	45,225	9,538	50,788	–	106,595

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 5. FINANCE COSTS

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Interest on bank loans	76,003	71,936
Interest on loans from related parties	32,403	35,182
Interest on guaranteed bonds	184,872	184,120
	<b>293,278</b>	291,238

### 6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Direct cost of rental income	15,728	12,653
Cost of services provided	30,228	25,182
Cost of goods sold	128,100	49,960

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 7. INCOME TAX

No provision for Hong Kong profits tax and Cambodia corporate income tax has been made as the Group did not generate any assessable profits arising in Hong Kong and Cambodia during periods for the six months ended 30 June 2022 and 2021.

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Mainland China:		
Current	47,531	5,497
Deferred	164,821	31,245
	<b>212,352</b>	36,742

### 8. INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

### 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to shareholders of the Company and the weighted average number of 6,969,331,680 (six months ended 30 June 2021: 6,969,331,680) ordinary shares in issue during the period. In addition, the share options outstanding during the period did not have a diluting effect on the earnings per share amount presented, accordingly, there was no adjustment made in calculation of the diluted earnings per share amount.

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

### 10. INVESTMENT PROPERTIES

Except for certain investment properties located in Taicang, Suzhou, Jiaxing, Changshu and Xiamen, with a total fair value of HK\$1,299,810,000, HK\$359,497,000, HK\$447,322,000, HK\$777,544,000 and HK\$429,172,000 respectively, as at 30 June 2022, the fair value of the remaining properties of the Group as at 30 June 2022 was arrived at the quoted open market value by reference to the fair value of these investment properties as at 31 December 2021 because the directors of the Company do not consider there was any material change in the fair value of these investment properties during the six months ended 30 June 2022.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Billed:		
Within one month	<b>8,618</b>	17,672
One to three months	<b>600</b>	3,690
Over three months	<b>6,763</b>	2,293
	<b>15,981</b>	23,655
Unbilled:	<b>97,764</b>	66,867
	<b>113,745</b>	90,522

The Company applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs have also incorporated forward looking information. The ECLs allowances for trade receivables as at 30 June 2022 and 31 December 2021 were considered as insignificant, except for a loss allowance of HK\$5,979,000 (31 December 2021: HK\$5,979,000) which was made in respect of rental income receivable.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 12. TRADE PAYABLES

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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Billed:		
Within one month	<b>134,332</b>	443
One to three months	<b>7</b>	294
Over three months	<b>434</b>	265
Unbilled:	<b>134,773</b>	1,002
	<b>328,134</b>	660,191
	<b>462,907</b>	661,193

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

### 13. SHARE CAPITAL

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	<b>1,000,000</b>	1,000,000
Issued and fully paid:		
6,969,331,680 (31 December 2021: 6,969,331,680) ordinary shares of HK\$0.10 each	<b>696,933</b>	696,933

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 14. DISPOSAL OF SUBSIDIARIES

	For the six months ended 30 June 2022 (Unaudited) HK\$'000
Net assets disposed of:	
Investment in a joint venture	1,644,925
Cash and bank balances	8
Accruals and other payables	(1)
	<hr/>
	1,644,932
Exchange fluctuation reserve	(765)
Equity investment at fair value through other comprehensive income	(163,194)
	<hr/>
	1,480,973
Gain on disposal of subsidiaries recognised in profit or loss	140,779
	<hr/>
Transactions costs of the disposal	938
	<hr/>
	1,622,690
	<hr/>
Satisfied by:	
Cash	1,622,690
	<hr/>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 14. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents for the six months ended 30 June 2022 in respect of the disposal of subsidiaries is as follows:

	(Unaudited) HK\$'000
Cash consideration	1,622,690
Cash and bank balances disposed of	(8)
	1,622,682
Less: Consideration not yet satisfied by cash*	(6,152)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	1,616,530

\* This amount is included in "Prepayments, other receivables and other assets" on the face of the interim condensed consolidated statement of financial position.

### 15. CAPITAL COMMITMENTS

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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Contracted, but not provided for:		
Capital injection into an associate	<b>122,955</b>	128,708
Capital injection into a joint venture	<b>3,900</b>	3,900
Construction of logistics facilities	<b>752,901</b>	908,370
Total capital commitments	<b>879,756</b>	1,040,978

As at 30 June 2022, the Group had no capital commitments by the share of joint ventures (31 December 2021: HK\$19,526,000), which are contracted but not provided for and not included in the above disclosure.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 16. RELATED PARTY DISCLOSURES

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

	Notes	For the six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Interest income, net of withholding tax received or receivable			
from a joint venture	(i)	335	2,506
Interest income from a fellow subsidiary	(ii)	943	663
Interest expense to fellow subsidiaries	(iii)	31,790	34,623

Notes:

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

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

The deposits placed by the Group with BG Finance as at 30 June 2022 amounted to HK\$386,646,000 (31 December 2021: HK\$395,793,000), of which HK\$26,914,000 (31 December 2021: HK\$25,554,000) is included in assets of disposal groups classified as held for sale.

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 16. RELATED PARTY DISCLOSURES (Continued)

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

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

#### (c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Short term employee benefits	8,993	9,011
Pension scheme contributions	1,221	1,249
	<b>10,214</b>	10,260

### 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

### 17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

	Carrying amount		Fair value	
	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
<b>Non-current financial assets:</b>				
Deposits and other receivables	9,895	10,358	9,895	10,358
<b>Current financial liabilities</b>				
Guaranteed bonds	5,749,884	–	5,402,016	–
<b>Non-current financial liabilities:</b>				
Due to a joint venture	207,043	216,731	193,121	192,990
Due to other related parties	65,527	73,434	54,726	67,046
Bank and other borrowings	1,860,247	2,625,838	1,963,928	2,540,943
Guaranteed bonds	–	5,737,361	–	5,445,644
	<b>2,132,817</b>	<b>8,653,364</b>	<b>2,211,775</b>	<b>8,246,623</b>

### 18. EVENTS AFTER THE REPORTING PERIOD

On 23 August 2022, the Group has passed a shareholders' resolution on disposal of the equity interests of certain projects located in the PRC by way of public tender through China Beijing Equity Exchange. The public tender is undergoing and yet to complete up to the date of approval of these financial statements. For details, please refer to the circular of the Company dated 3 August 2022.

### 19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 30 August 2022.

## DISCLOSEABLE INFORMATION

### DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACTS OF SIGNIFICANT

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

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

As at 30 June 2022, the interests and short positions of the directors and the chief executive of the Company in the shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

#### Long position in the ordinary shares of the Company

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

Notes:

- 42,491,800 ordinary shares of HK\$0.10 each in the share capital of the Company ("Shares") as at 30 June 2022 are held by Jade Investment Limited which is beneficially owned by Mr. Ng Kin Nam and the spouse of Mr. Ng Kin Nam.
- The percentage represented the number of Shares over the total issued Shares of the Company as at 30 June 2022 of 6,969,331,680 Shares.

## DISCLOSEABLE INFORMATION

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

#### **Long position in underlying shares of the Company**

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

Save as disclosed above, as at 30 June 2022, none of the directors or chief executives had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or the SFO.

#### **SHARE OPTION SCHEME**

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

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

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

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

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

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

## DISCLOSEABLE INFORMATION

### SHARE OPTION SCHEME (Continued)

The following table discloses movements in the Company's share options outstanding during the six months ended 30 June 2022:

Name or category of participant	Number of share options					At 30 June 2022	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2022	Granted during the year (Note 2)	Exercised during the year (Note 2)	Lapsed during the year	Cancelled during the year				
<b>Directors:</b>									
Mr. Siu Kin Wai	5,000,000	-	-	(5,000,000)	-	-	1-Jun-12	1-Jun-12 to 31-May-22	0.410
	6,000,000	-	-	-	-	6,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	5,000,000	-	-	-	-	5,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	3,000,000	-	-	-	-	3,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	4,000,000	-	-	-	-	4,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	23,000,000	-	-	(5,000,000)	-	18,000,000			
Mr. Cheng Ching Fu	3,000,000	-	-	(3,000,000)	-	-	1-Jun-12	1-Jun-12 to 31-May-22	0.410
	2,000,000	-	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	2,500,000	-	-	-	-	2,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,000,000	-	-	-	-	2,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	10,500,000	-	-	(3,000,000)	-	7,500,000			
Mr. Yu Luning	5,000,000	-	-	(5,000,000)	-	-	1-Jun-12	1-Jun-12 to 31-May-22	0.410
	4,000,000	-	-	-	-	4,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	4,000,000	-	-	-	-	4,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	3,000,000	-	-	-	-	3,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	17,000,000	-	-	(5,000,000)	-	12,000,000			
Mr. Goh Gen Cheung	1,837,700	-	-	(1,837,700)	-	-	1-Jun-12	1-Jun-12 to 31-May-22	0.410
	2,000,000	-	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	6,337,700	-	-	(1,837,700)	-	4,500,000			
Mr. Zhu Wuxiang	2,000,000	-	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	4,500,000	-	-	-	-	4,500,000			

## DISCLOSEABLE INFORMATION

### SHARE OPTION SCHEME (Continued)

Name or category of participant	Number of share options					At 30 June 2022	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2022	Granted during the year (Note 2)	Exercised during the year (Note 2)	Lapsed during the year	Cancelled during the year				
Mr. James Chan	2,000,000	-	-	-	-	2,000,000	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	4,500,000	-	-	-	-	4,500,000			
Mr. Song Lishui	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
<b>Other employees and consultants in aggregate:</b>	21,175,400	-	-	(21,175,400)	-	-	1-Jun-12	1-Jun-12 to 31-May-22	0.410
	18,400,000	-	-	-	-	18,400,000	24-May-13	24-May-13 to 23-May-23	0.574
	26,200,000	-	-	-	-	26,200,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	5,100,000	-	-	-	-	5,100,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	14,500,000	-	-	-	-	14,500,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	85,375,400	-	-	(21,175,400)	-	64,200,000			
	152,213,100	-	-	(36,013,100)	-	116,200,000			

Notes:

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

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs "Directors' and Chief Executives' interests in shares and underlying shares" and "Share option scheme", at no time during the six months ended 30 June 2022 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children under the age of 18, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## DISCLOSEABLE INFORMATION

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

As at 30 June 2022, so far as was known to the directors or chief executive of the following persons (not being Directors or chief executive of the Company) had, an interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in shares and underlying shares of the Company

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

Notes:

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

Save as disclosed above, as at 30 June 2022, no person whose interests had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## DISCLOSEABLE INFORMATION

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

Changes in information of directors since the date of the Annual Report 2021 of the Company up to the date of this report, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Mr. Ren Lin has been appointed as an executive director and the member of investment and risk management committee of the Company with effect from 8 July 2022.

Mr. Li Changfeng has resigned as an executive director and the member of investment and risk management committee of the Company with effect from 7 July 2022.

Directors' updated biographies are available on the Company's website.

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

### SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

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

Date of the Agreement(s)	Nature of the Agreement(s)	Aggregate amount	Final Maturity	Specific performance obligations
7 June 2018	Revolving loan facility with a bank	HK\$200 million	–	Note 1
21 February 2019	Revolving loan facility with a bank	HK\$350 million	–	Note 1
23 September 2019	Revolving loan facility with a bank	HK\$180 million	–	Note 1
24 February 2020	Subscription agreement for issuance of bonds	USD600 million	February 2023	Note 1
17 March 2020	Term loan facility with a bank	USD100 million	March 2023	Note 1
7 August 2020	Subscription agreement for issuance of bonds	USD150 million	February 2023	Note 1
14 October 2020	Term loan facility with a bank	USD29.2 million and RMB78.75 million	October 2023	Note 1
9 June 2021	Term loan facility with a bank	USD65 million and HK\$195 million	June 2023	Note 1
24 June 2022	Term loan facility with a bank	HK\$125.51 million and USD4.47 million	June 2025	Note 1

Note:

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

## DISCLOSEABLE INFORMATION

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2022.

### **SUFFICIENCY OF PUBLIC FLOAT**

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

# CORPORATE GOVERNANCE REPORT

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

In the opinion of the directors of the Company, the Company has complied with the Corporate Governance Code set out in Appendix 14 to the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2022, except as disclosed herein below.

Under code provision C.1.6, independent non-executive directors and non-executive directors should attend general meetings to develop a balanced understanding of the views of shareholders. During the six months ended 30 June 2022, not all independent non-executive directors attended general meetings of the Company due to other business engagements, which deviates from code provision C.1.6.

Under code provision F.2.2, the chairman of the board should attend the Annual General Meeting and invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. However, the chairman of the board was unable to attend the annual general meeting held on 15 June 2022 (the “2022 AGM”) due to his other business commitments. Our chairman appointed Mr. Siu Kin Wai, the executive director of the Company, to chair the meeting on his behalf and the chairmen of the audit, remuneration and nomination committees also attended the 2022 AGM.

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

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SHARE DEALING**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of securities transactions of the directors. Having made specific enquiry of all directors, the Company has confirmed that all directors have complied with the required standards set out in the Model Code and its code of conduct regarding director’s securities transaction during the six months ended 30 June 2022.

## **AUDIT COMMITTEE**

The audit committee of the Company was established in accordance with the requirements of the CG Code as set out in Appendix 14 to the Listing Rules. It comprises five independent non-executive directors of the Company to review on matters regarding internal controls, risk management and financial reporting of the Group, including review of the unaudited results for the six months ended 30 June 2022 and considers that appropriate accounting policies have been adopted in the preparation of relevant results and sufficient disclosures have been made.

During the six months ended 30 June 2022, the audit committee members are all independent non-executive directors. Members of the audit committee are Mr. Goh Gen Cheung (Chairman), Mr. Zhu Wuxiang, Mr. James Chan, Mr. Song Lishui and Mr. Xie Ming.