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Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

RESULTS HIGHLIGHTS

- Revenue amounted to approximately RMB18,349,000,000, representing an increase of approximately 0.7% as compared to the six months ended 30 June 2022.
- Gross profit was approximately RMB2,327,000,000. Net profit was approximately RMB737,000,000.
- Assets to liabilities ratio after excluding receipts in advance was 63.1%, deposits received from customers (contract liabilities) were approximately RMB49,423,000,000.
- Net gearing ratio was 61.3%, weighted average cost of debt was 6.11%.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (“**Radiance Holdings**” or the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”) together with the comparative figures for the corresponding period in the preceding financial year as follows:

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

For the six months ended 30 June 2023

		2023	2022
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
REVENUE	3	18,348,658	18,216,292
Cost of sales		<u>(16,021,984)</u>	<u>(14,985,518)</u>
GROSS PROFIT		2,326,674	3,230,774
Finance income		27,711	49,831
Other income and gains	3	12,869	10,853
Selling and distribution expenses		(532,125)	(502,239)
Administrative expenses		(346,825)	(425,242)
Finance costs	4	(116,689)	(180,739)
Other expenses		(94,042)	(174,785)
Fair value gains on investment properties		117,756	107,300
Fair value losses from financial assets at fair value through profit or loss		(1,007)	(3,440)
Share of profits of:			
Joint ventures		(18,753)	78,764
Associates		<u>(44,453)</u>	<u>193,199</u>
PROFIT BEFORE TAX	5	1,331,116	2,384,276
Income tax expense	6	<u>(593,863)</u>	<u>(892,114)</u>
PROFIT FOR THE PERIOD		<u>737,253</u>	<u>1,492,162</u>

		2023	2022
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>737,253</u>	<u>1,492,162</u>
Attributable to:			
Owners of the parent		522,667	1,238,508
Non-controlling interests		<u>214,586</u>	<u>253,654</u>
		<u>737,253</u>	<u>1,492,162</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period	8	<u>RMB0.13</u>	<u>RMB0.31</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	544,818	519,023
Right-of-use assets	724,602	744,232
Investment properties	16,473,800	16,330,200
Intangible assets	23,159	24,199
Investments in joint ventures	2,402,973	2,421,726
Investments in associates	5,644,183	5,688,636
Financial assets at fair value through profit or loss	84,786	105,020
Deferred tax assets	2,595,268	2,650,754
Other non-current assets	1,402,644	1,402,644
	<hr/>	<hr/>
Total non-current assets	29,896,232	29,886,434
CURRENT ASSETS		
Properties under development	77,330,337	88,551,479
Completed properties held for sale	13,549,833	12,472,551
Trade receivables	35,443	50,510
Contract cost assets	1,005,373	1,205,954
Due from related parties	5,222,088	6,621,121
Prepayments, other receivables and other assets	8,705,231	9,395,145
Tax recoverable	1,050,444	1,168,535
Financial assets at fair value through profit or loss	3,461	4,294
Cash and bank balances	10,926,802	12,319,530
	<hr/>	<hr/>
Total current assets	117,829,012	131,789,119

		30 June	31 December
		2023	2022
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade payables	<i>10</i>	12,250,687	13,106,078
Other payables and accruals		3,440,806	2,592,136
Contract liabilities		49,423,059	59,397,834
Due to related companies		5,005,671	5,437,467
Tax payable		5,614,846	5,270,090
Interest-bearing bank and other borrowings		11,078,282	10,937,353
Proceeds from asset-backed securities within one year		15,332	70,696
Senior notes		2,618,862	440,607
Corporate bonds		453,411	667,743
Lease liabilities within one year		5,497	10,747
		<hr/>	<hr/>
Total current liabilities		89,906,453	97,930,751
		<hr/>	<hr/>
NET CURRENT ASSETS		27,922,559	33,858,368
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TOTAL ASSETS LESS CURRENT LIABILITIES		57,818,791	63,744,802
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	30 June	31 December
	2023	2022
	(Unaudited)	(Audited)
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	15,668,796	15,607,467
Proceeds from asset-backed securities	1,681,856	5,218,481
Senior notes	–	2,075,827
Corporate bonds	1,668,042	2,797,578
Lease liabilities	3,907	3,343
Deferred tax liabilities	2,475,499	2,459,068
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Total non-current liabilities	21,498,100	28,161,764
	<hr/>	<hr/>
Net assets	36,320,691	35,583,038
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EQUITY		
Equity attributable to owners of the parent		
Share capital	35,095	35,095
Reserves	25,021,739	24,499,072
	<hr/>	<hr/>
	25,056,834	24,534,167
	<hr/>	<hr/>
Non-controlling interests	11,263,857	11,048,871
	<hr/>	<hr/>
Total equity	36,320,691	35,583,038
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As at 30 June 2023

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. Since the Group did not apply the initial recognition exception, the amendments did not have any impact on the financial position or performance of the Group.

The adoption of amendments to IAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 30 June 2022.

- (d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and sales, property leasing and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, the segment of the development and sale of properties is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no significant non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	18,135,624	18,019,777
Revenue from other sources		
Property lease income	213,034	196,515
	<u>18,348,658</u>	<u>18,216,292</u>

Disaggregated revenue information from contracts with customers

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Types of goods or services:		
Sale of properties	18,120,578	18,002,629
Management consulting services	15,046	17,148
	<u>18,135,624</u>	<u>18,019,777</u>
Total revenue from contracts with customers		
Timing of revenue recognition:		
Properties transferred at a point in time	18,120,578	18,002,629
Services transferred over time	15,046	17,148
	<u>18,135,624</u>	<u>18,019,777</u>
Total revenue from contracts with customers		

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income and gains		
Deposit forfeiture	3,831	7,109
Subsidy income	5,464	2,556
Income from providing guarantees to a related party	2,030	–
Net gain on disposal of items of right-of-use assets	490	–
Gain on derecognition of financial assets at fair value through profit or loss	108	268
Net gain on disposal of items of property, plant and equipment	12	28
Others	934	892
	<u>12,869</u>	<u>10,853</u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on loans and borrowings	1,126,501	1,456,421
Interest on lease liabilities	427	566
Interest expense arising from revenue contracts	231,491	220,229
Total interest expense on financial liabilities not at fair value through profit or loss	1,358,419	1,677,216
Less: Interest capitalised	<u>(1,241,730)</u>	<u>(1,496,477)</u>
	<u>116,689</u>	<u>180,739</u>

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold (excluding impairment losses recognised for inventories)	15,828,852	14,836,568
Cost of services provided	7,789	8,950
Impairment losses recognised for properties held for sale	18,051	140,000
Impairment losses recognised for properties under development	167,292	–
Impairment losses on financial assets	10,174	61,042
Depreciation of items of property, plant and equipment	10,432	27,127
Amortisation of intangible assets	2,401	1,990
Depreciation of right-of-use assets	20,133	23,050
Rental expenses	1,275	4,112
Auditors' remuneration	2,310	2,760
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	151,755	218,250
Pension scheme contributions and social welfare	24,877	27,507
	<u>24,877</u>	<u>27,507</u>

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the six months ended 30 June 2023 and 2022.

Subsidiaries of the Group operating in Mainland China were subject to the People's Republic of China ("PRC") corporate income tax ("CIT") with a tax rate of 25% during the reporting period (2022: 25%) except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd.*	15%

* *According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2021 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang Properties Co., Ltd., a subsidiary of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% till 2030.*

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax:		
Corporate income tax	301,500	652,389
LAT	220,447	158,855
Deferred tax	71,916	80,870
Total tax charge for the period	593,863	892,114

7. DIVIDENDS

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

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,045,227,000 (six months ended 30 June 2022: 4,045,227,000) in issue during the reporting period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the reporting periods.

The calculation of the basic earnings per share is based on:

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>522,667</u>	<u>1,238,508</u>
	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>4,045,227,000</u>	<u>4,045,227,000</u>

9. 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:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
Within 1 year	30,718	31,132
1 to 3 years	4,725	18,944
Over 3 years	–	434
	35,443	50,510

10. TRADE PAYABLES

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
Within 1 year	11,516,155	12,445,774
Over 1 year	734,532	660,304
	12,250,687	13,106,078

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders of the Company (the “**Shareholders**”) the interim results and business review for the six months ended 30 June 2023 as well as the prospects for the second half of 2023 of the Group.

INTERIM RESULTS

For the Period, the revenue of the Group amounted to approximately RMB18,348.7 million, representing a year-on-year increase of 0.7% as compared to the corresponding period of 2022. Lease income grew steadily and reached approximately RMB213 million, up 8.4% from the same period in 2022. Gross profit for the Period amounted to approximately RMB2,326.7 million. Gross profit margin for the Period was 12.7%. Net profit for the Period amounted to approximately RMB737.3 million. Net profit margin for the Period was 4.02%. Profit attributable to the owners of the Company for the Period was approximately RMB522.7 million.

BUSINESS REVIEW

Steady progress amid industry-wide correction

In the first half of 2023, with housing market correction continued, investment in real estate development nationwide amounted to RMB5.86 trillion, representing a year-on-year decrease of 7.9% as compared to the corresponding period of 2022, of which investment in residential properties amounted to RMB4.44 trillion, representing a decrease of 7.3% year-on-year. The cumulative floor area sold of commercial properties from January to June decreased by 5.3% year-on-year, and the cumulative sales amount increased by 1.1% year-on-year. Among which, the sales area of commercial properties during a single month in June 2023 decreased by 18.2% year-on-year, and the sales amount decreased by 19.2% year-on-year. Despite downward market pressure, fundamentals of the Chinese economy remain robust and we still see strong growth potential in the long term.

In the face of the current market environment, the Group has deepened its strategy of moving forward steadily, strictly observed financial discipline and maintained reasonable liquidity, reduced leverage levels, and optimized capital structure. As of 30 June 2023, the Group's debt balance was RMB33,184.6 million, representing a decrease of 12.2% from RMB37,815.8 million as of 31 December 2022. The Group's weighted average cost of debt was 6.11% for the Period, representing a slight decrease as compared with the weighted average debt cost of 6.22% for the year ended 31 December 2022. In the first half of 2023, the Group completed the repurchase and redemption of multiple tranches of onshore and offshore bonds.

As at 30 June 2023, total gross floor area of the Group's land bank reached approximately 24,364,065 square metres, provide buoyant support for the future business development of the Group.

Ensuring steady and sustainable growth and striving for quality

The Group was awarded the “No.23 Comprehensive Strength List of Real Estate Listed Companies” in the “Comprehensive Strength List for 2023 Real Estate Listed Companies” jointly released by the China Real Estate Association and Shanghai E-House China Research Institute. It has been awarded the “2022 China Top 100 Real Estate Enterprises TOP 50” for 12 consecutive years and won the “Top 10 Excellent Enterprises with Delivery Power in 2023”.

In June 2023, the marketing center of Shangrao Tongluowan (上饒銅鑼灣) stood out for its business idea and innovative design practice and won the “TTIA Temple of Heaven International Award”. Xi'an Jinhui Luming Long Beach (西安金輝鹿鳴長灘) won the highest honor of the TITAN Real Estate Platinum Award, and Jinhui Caihu Yunjing (金輝彩湖雲璟) won the “TTIA Global Construction Super Product Power Award”.

In the first half of 2023, we stood firm and continued to build our presence across China, and completed the delivery plan of 28 projects in 34 batches in 18 cities, bringing the long-awaited new home to 17,000 families.

For engineering and delivery, we strictly implement the Group's “Standardization System for Assessing the Home” and strictly abide by the project quality. From safe construction to transparent construction sites and from material selection to craftsmanship, we show the growth of the home at zero distance and escort the beautiful delivery. In the future, the Group will continue to adhere to the concept of “customer first”, continuously improve quality and service, and create a truly beautiful home for more families.

PROSPECTS FOR THE SECOND HALF OF 2023

Looking ahead to the second half of 2023, the PolitBuro meeting clarified the judgment on “the significant changes seen in supply and demand in the real estate market” and helps to drive steady and healthy development of the real estate market by providing more comprehensive regulatory protocols and supports in the timely adjustment and optimization of real estate policies under the circumstances in different local markets. The optimization of real estate regulation and control policies is expected to gradually restore the confidence of home buyers, especially demand from first-time homebuyers and upgraders. However, it will take time for confidence to restore and for supply and demand to align.

With the general principle to crack down property speculation, we have seen the real estate industry migrating from a volume-based to a quality-based approach. The Group will continue to maintain a sound development strategy, with “guaranteed delivery” as the bottom line, “product quality” as the center, “refined management” as the means, and “customer satisfaction” as the goal, to practice corporate responsibility, fulfill internal and external commitments, and achieve high-quality development.

On 24 August, with the support of the “second arrow”, the Group has completed the issuance of the first tranche of the 2023 medium-term notes with a principal amount of RMB800 million. It is believed that the support of the “second arrow” will play a more positive role in boosting market confidence, reversing market expectations, and easing the credit crunch faced by private enterprises.

Overall, in the second half of 2023, with the increasingly positive signals released in policies pertaining the real estate industry and implementation of a number of supportive policies, it is expected that the real estate industry will gradually stabilize and regain its status as a key industry for stable investment and stable growth.

APPRECIATION

On behalf of the Board, I would like to express the most sincere appreciation to all Shareholders, investors, business partners and customers for their supports to, and trust in, the Company, and to all members of the management team and all employees for their previous dedication and hard work. In the future, the Group will continue to maintain a stable, balanced and high-quality corporate development expectation, and promote urban development and people’s better life with the concept of “building properties with craftsmanship and making better homes” (用心建好房，讓家更美好), bringing better products and services to the industry and users, and creating high value for the Shareholders and investors.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	For the six months ended		Change in percentage
	2023	2022	
Highlights of financial information			
Recognised revenue (<i>RMB'000</i>)	18,348,658	18,216,292	0.7%
Gross profit (<i>RMB'000</i>)	2,326,674	3,230,774	-28.0%
Net profit (<i>RMB'000</i>)	737,253	1,492,162	-50.6%
Core net profit (<i>RMB'000</i>) ⁽¹⁾	649,943	1,415,134	-54.1%
Gross profit margin (%)	12.7%	17.7%	
Net profit margin (%)	4.0%	8.2%	
Core net profit margin (%) ⁽²⁾	3.5%	7.8%	
Earnings per Share (basic and diluted) (<i>RMB cents</i>)	13	31	
	As at 30 June 2023	As at 31 December 2022	Change in percentage
Total assets (<i>RMB'000</i>)	147,725,244	161,675,553	-8.6%
Cash and bank balances (<i>RMB'000</i>)	10,926,802	12,319,530	-11.3%
Total indebtedness (<i>RMB'000</i>) ⁽³⁾	33,184,581	37,815,752	-12.2%
Net indebtedness (<i>RMB'000</i>) ⁽⁴⁾	22,257,779	25,496,222	-12.7%
Equity attributable to owners of the parent company (<i>RMB'000</i>)	25,056,834	24,534,167	2.1%
Current ratio (<i>times</i>) ⁽⁵⁾	1.3	1.3	
Weighted average cost of indebtedness (%) ⁽⁶⁾	6.11%	6.22%	
Net gearing ratio (%) ⁽⁷⁾	61.3%	71.7%	
Liability asset ratio after excluding receipts in advance (%) ⁽⁸⁾	63.1%	65.2%	

Notes:

1. Core net profit is profit for the period excluding changes of fair value of investment properties and financial assets at fair value through profit or loss and gain on disposal of subsidiaries, net of related deferred tax.
2. Core net profit margin is core net profit divided by revenue and multiplied by 100%.
3. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes.
4. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
5. Current ratio is calculated based on the Group's total current assets divided by the Group's total current liabilities as of the respective dates.
6. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
7. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
8. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

PROPERTY DEVELOPMENT AND SALES

The Group focuses on selected cities in the eight regions, namely the regions of Yangtze River Delta, the Bohai Economic Rim, Eastern China, Central China, Southwestern China, Northwestern China, Southeastern China and Shenzhen/Huizhou. The table below sets forth the Group's revenue generated from each region, total gross floor area ("GFA") delivered in each region and the respective recognised average selling price ("ASP") per square meter ("sq.m.") for each region for the periods indicated:

	For the six months ended 30 June							
	2023				2022			
	Revenue		GFA	Recognized	Revenue		GFA	Recognized
	<i>RMB'000</i>	%	Delivered <i>sq.m</i>	ASP <i>RMB/sq.m</i>	<i>RMB'000</i>	%	Delivered <i>sq.m</i>	ASP <i>RMB/sq.m</i>
Southeastern China	610,549	3.3	48,961	12,354	1,967,797	10.9	208,495	9,439
Eastern China	3,482,371	19.2	310,917	11,200	1,961,665	10.9	173,658	11,296
Central China	601,480	3.3	74,111	8,116	1,544,797	8.6	123,624	12,496
Bohai Economic Rim	2,848,503	15.7	250,734	11,361	1,401,113	7.8	112,117	12,497
Northwestern China	3,084,342	17.0	249,982	12,338	2,686,313	14.9	213,055	12,609
Southwestern China	1,135,418	6.3	80,312	14,138	870,065	4.8	89,290	9,744
Yangtze River Delta	5,812,464	32.2	304,674	19,078	5,891,750	32.8	314,205	18,751
Shenzhen/Huizhou	545,451	3.0	43,002	12,684	1,679,129	9.3	93,257	18,005
Total	<u>18,120,578</u>	<u>100.0</u>	<u>1,362,693</u>	<u>13,293</u>	<u>18,002,629</u>	<u>100.0</u>	<u>1,327,701</u>	<u>13,559</u>

INVESTMENT PROPERTIES

As at 30 June 2023, the Group had 26 investment properties with a total GFA of approximately 1,864,880 sq.m., and one of such investment properties was held for future development with an estimated total GFA of 69,530 sq.m..

PROJECTS UNDER CONSTRUCTION

As at 30 June 2023, the total planned GFA of the Group's projects under construction was 14,921,342 sq.m, representing a decrease of approximately 7.3% compared to the total planned GFA of 16,104,002 sq.m as at 31 December 2022.

LAND BANK

As at 30 June 2023, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 24,364,065 sq.m. and 19,508,472 sq.m., respectively. The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 30 June 2023:

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group and its subsidiaries						
<i>Southwestern China</i>						
Chongqing	Tianchen Elite's Mansion	Residential/commercial	2022	52,683	22,544	49.0%
Chongqing	Jiangshan Elite's Mansion	Residential/commercial	2024	69,489	182,955	57.6%
Chongqing	Zhongyang King's Garden	Residential/commercial	2019-2024	157,925	101,714	96.0%
Chongqing	Yujiang House	Residential/commercial	2020	77,342	18,582	96.0%
Chongqing	Boshe	Residential/commercial	2020	52,086	23,124	96.0%
Chongqing	Changjiang King's Garden	Residential/commercial	2020	59,031	16,670	96.0%
Chongqing	Jinhui City Phase IV	Residential/commercial	2018	135,452	76,960	96.0%
Chongqing	Jinhui City Phase V	Office building/ commercial	2026	9,932	71,235	96.0%
Chongqing	Binjiang Complex	Commercial	2025	12,738	18,522	96.0%
Chongqing	Jinhui Plaza	Commercial	2015	28,229	123,801	96.0%
Chongqing	Jinhui Elite's Mansion	Residential	2022	25,896	15,546	96.0%
Chongqing	Caihu Yunjing	Residential	2024	44,496	48,035	96.0%
Chongqing	Tanzikou	Residential	2024	25,006	87,556	96.0%
Chongqing	Hushan Elite's Mansion Phase I	Residential/commercial	2024	105,693	45,437	48.0%
Chongqing	Hushan Elite's Mansion Phase II	Residential/commercial	2024	67,358	150,713	48.0%
Chengdu	Jinhui New Block Garden	Residential/commercial	2021	41,112	7,598	96.0%
Chengdu	Fengqi Yunjing	Residential	2024	46,094	89,090	96.0%
Subtotal of Southwestern China region					1,100,082	
Subtotal of interests in Southwestern China region					881,067	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Central China						
Wuhan	Jinhui City	Residential/commercial	2026	188,736	601,832	96.0%
Wuhan	Jiangshan Elite's Mansion	Residential/commercial	2025	128,280	317,270	38.4%
Wuhan	Jiangshan Elite's Mansion	Residential/commercial	2027	151,926	895,845	62.4%
Wuhan	New Block Lakeside	Residential/commercial	2020	69,985	27,103	96.0%
Xiangyang	Xiangyang New Block Academy	Residential/commercial	2025	172,060	418,690	72.0%
Changsha	Hongtao Jade Bay Phase I	Residential	2018	22,771	4,433	96.0%
Changsha	Hongtao Jade Bay Phase II	Residential/commercial	2025	37,374	16,413	96.0%
Changsha	Xingyu Academy	Residential/commercial	2024	105,625	254,802	96.0%
Changsha	Xingyue Yundi	Residential/commercial	2025	115,142	247,570	96.0%
Hefei	Land parcel 06, Hefei New Station	Residential/commercial	2025	61,928	174,118	96.0%
Hefei	New Block Academy	Residential/commercial	2021	100,289	4,762	67.2%
Hefei	Cloudworld Garden	Residential	2020	16,262	6,508	96.0%
Hefei	Xin'an Garden	Residential/commercial	2021	34,505	3,723	96.0%
Hefei	Xin'an Yayuan	Residential/commercial	2023	64,532	69,850	96.0%
Hefei	Xizi Garden	Residential	2021	104,760	3,182	22.1%
Hefei	Yunman Xijing	Residential/commercial	2025	60,128	152,074	96.0%
Subtotal of Central China region					3,198,175	
Subtotal of interests in Central China region					<u>2,482,287</u>	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Bohai Economic Rim						
Beijing	Chaoyang Port No.1 Block	Office building	2022	73,891	175,469	96.0%
Beijing	Radiance Plaza	Office building/ commercial	2016	11,423	106,212	96.0%
Tianjin	Xueshi Garden	Residential/commercial	2023	80,124	3,423	96.0%
Tianjin	Yunqi Garden	Residential/commercial	2025	40,442	98,572	96.0%
Tianjin	Yunhui Garden	Residential/commercial	2025	36,586	91,460	96.0%
Tianjin	Yunque Garden	Residential/commercial	2022	42,078	11,665	96.0%
Tianjin	Hu'an Garden	Residential/commercial	2021	98,930	7,740	96.0%
Tianjin	Yuncui Gardan	Residential/commercial	2021	25,236	2,825	96.0%
Tianjin	Mingzhu Garden	Residential/commercial	2025	81,437	219,441	96.0%
Langfang	New Block Riverside Garden	Residential/commercial	2025	167,549	455,719	96.0%
Shijiazhuang	New Block Star	Residential/commercial	2023	39,389	7,435	96.0%
Shijiazhuang	Jinhui Elite's Mansion	Residential/commercial	2020	65,052	17,515	52.8%
Shijiazhuang	New Block (Pinyuan)	Residential	2020	48,378	7,055	32.6%
Shijiazhuang	West District of New Block Shangfu	Residential/commercial	2023	52,543	5,989	96.0%
Shijiazhuang	East District of New Block Shangfu	Residential	2024	35,286	88,456	96.0%
Shijiazhuang	Kaiyuan House	Residential/commercial	2022	54,619	7,288	96.0%
Shijiazhuang	New Block Yayuan	Residential/commercial	2024	45,729	46,467	76.8%
Shenyang	Jiangshan Elite's Mansion	Residential/commercial	2020	127,325	21,143	96.0%
Shenyang	Land parcel 88-1, Shenyang Yuhong New Town	Residential/commercial	2025	55,258	150,522	96.0%
Subtotal of Bohai Economic Rim region					1,524,396	
Subtotal of interests in Bohai Economic Rim region					1,442,462	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Eastern China</i>						
Huai'an	Jinhui City Phase III	Residential/commercial	2023	108,819	969	97.4%
Huai'an	Jinhui City Square	Residential/commercial/office building	2025	93,398	324,807	57.6%
Huai'an	Jinhui City Phase II	Residential/commercial	2020	86,833	3,018	96.0%
Huai'an	Jinhui Swan Bay Phase I	Residential/commercial	2016	66,440	10,738	96.0%
Huai'an	Jinhui Swan Bay Phase II	Residential/commercial	2020	63,426	20,366	96.0%
Huai'an	Jinhui Four Seasons Community Phase II	Residential/commercial	2021	72,902	23,055	96.0%
Huai'an	Jinhui Four Seasons Community Phase I	Residential/commercial	2024	70,750	63,065	96.0%
Huai'an	New Block Garden	Residential/commercial	2024	28,600	87,437	96.0%
Huai'an	New Block Dongjun	Residential/commercial	2024	56,712	116,875	96.0%
Huai'an	New Block Academy	Residential/commercial	2024	29,312	114,911	96.0%
Huai'an	New Block Academy 2	Residential/commercial	2026	52,215	168,323	96.0%
Huai'an	New Block Academy 3	Residential	2026	56,833	183,403	96.0%
Huai'an	New Block Academy 4	Residential	2025	56,913	184,843	96.0%
Huai'an	World City Phase 5	Residential/commercial	2027	20,136	65,538	96.0%
Huai'an	Southern Plot of City Plaza	Residential	2026	47,869	155,161	57.6%
Huai'an	Northern Plot of City Plaza	Residential	2026	46,677	151,284	57.6%
Lianyungang	Jinhui Four Seasons	Residential/commercial	2019	223,045	62,909	96.0%
Lianyungang	Jinhui Four Seasons Guanlan	Residential	2021	49,756	12,428	96.0%
Lianyungang	Yunting Riverside	Residential	2024	97,508	109,638	96.0%
Lianyungang	Parcel LTC2020-19	Residential	2024	34,819	95,962	48.0%
Lianyungang	Yundi	Residential/commercial	2025	165,929	516,476	96.0%
Lianyungang	Peninsula Elite's Mansion	Residential/commercial	2025	61,705	129,485	96.0%
Lianyungang	Elite's Mansion	Residential/commercial	2026	93,032	267,947	96.0%
Lianyungang	Yunxie	Residential	2026	59,397	175,488	96.0%
Lianyungang	Outlets	Commercial	2025	108,623	148,258	96.0%

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Yancheng	Jinhui City	Residential/commercial	2027	76,441	111,954	96.0%
Yancheng	Jinhui New Block Garden	Residential/commercial	2021	31,180	15,126	96.0%
Yancheng	Jinhui Tongyin Yunshang	Residential/commercial	2024	46,650	124,993	52.8%
Yancheng	Junhefu	Residential/commercial	2025	72,422	200,643	49.0%
Xuzhou	Xinbu Lanting	Residential/commercial	2023	55,982	48,114	96.0%
Xuzhou	Jiangshan Yunjing Community	Residential/commercial	2025	26,358	87,181	48.0%
Zhenjiang	Jinhui Four Seasons Guanlan	Residential/commercial/hotel	2026	37,422	149,638	96.0%
Zhenjiang	New Block Xinyuan	Residential	2025	76,715	177,990	96.0%
Zhenjiang	Yundu Shangyuan	Residential	2024	50,041	59,783	96.0%
Yangzhou	New Block Avenue	Residential/commercial	2024	128,052	124,545	96.0%
Yangzhou	Eden Garden	Residential/commercial	2021	52,581	4,640	32.0%
Yangzhou	Qihu Cloud Atrium	Residential/commercial	2024	93,813	207,657	96.0%
Yangzhou	Yuedu Cloud Atrium	Residential/commercial	2024	43,528	63,184	47.0%
Subtotal of Eastern China region					4,567,832	
Subtotal of interests in Eastern China region					3,872,539	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Northwestern China</i>						
Xi'an	Jinghe Town	Residential/commercial	2028	697,823	2,129,148	96.0%
Xi'an	Academy Mansion	Residential/commercial	2021	46,649	11,587	96.0%
Xi'an	New Block Avenue	Residential/commercial	2026	189,256	812,326	96.0%
Xi'an	Jinhui World City	Residential/commercial	2018	43,653	15,535	96.0%
	Upper East Side Phase I					
Xi'an	Jinhui World City Upper East Side Phase II	Residential/commercial	2020	22,884	–	96.0%
Xi'an	Gaoxin Elite's Mansion	Residential/commercial	2021	37,326	1,150	96.0%
Xi'an	Jinhui Chang'an Elite's Mansion	Residential/commercial	2025	53,859	219,831	96.0%
Xi'an	Jinhui New Block Garden	Residential/commercial	2020	39,412	2,378	96.0%
Xi'an	Jinhui East King's Garden	Residential/commercial/hotel	2026	127,015	296,185	96.0%
Xi'an	Jinhui World City Phase A1-2	Residential/commercial	2016	60,300	15,792	96.0%
Xi'an	Jinhui World City Phase A3	Residential/commercial	2019	40,774	31,340	96.0%
Xi'an	Jinhui World City Phase B1-2	Residential/commercial	2016	82,410	–	96.0%
Xi'an	Jinhui World City Phase B3	Residential/commercial	2021	26,000	4,453	96.0%
Xi'an	Jinhui World City Phase C1	Residential/commercial	2019	48,700	927	96.0%
Xi'an	Jinhui World City Phase C2	Residential/commercial	2021	38,780	32,929	96.0%
Xi'an	Jinhui World City Block D	Residential/commercial	2022	126,133	152	96.0%
Xi'an	Jinhui World City Block G	Residential/commercial	2020	28,399	35,781	96.0%
Xi'an	Jinhui Global Plaza Phase I	Office building/commercial	2017	14,402	83,482	96.0%
Xi'an	Jinhui Global Plaza Phase II	Office building/commercial	2020	32,247	262,741	96.0%
Xi'an	Jinhui World City Block I/J	Residential/commercial	2028	115,320	581,841	96.0%
Xi'an	Jinhui Building (International Plaza)	Office building/commercial	2015	15,908	48,685	96.0%

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Xi'an	Chuangzhi Building	Office building/ commercial	2019	6,035	20,497	96.0%
Xi'an	Xi'an Jinhui Tianyu Baili Square	Commercial	2026	35,237	280,827	96.0%
Xi'an	Xi'an Jinhui Tianyu Fengxi Elite's Mansion	Residential/commercial	2024	38,775	120,476	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2023	48,549	100,680	96.0%
Zhengzhou	Jinhui Youbu Lanting	Residential	2025	47,062	154,535	96.0%
Zhengzhou	Jinhui Youbu Yunting	Residential	2025	33,704	109,965	96.0%
Subtotal of Northwestern China region					5,373,243	
Subtotal of interests in Northwestern China region					<u>5,158,313</u>	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Southeastern China</i>						
Quanzhou	Shishi Jinhui City Phase I	Residential/commercial	2022	38,866	21,000	81.6%
Quanzhou	Shishi Jinhui City Phase II	Residential/commercial	2025	183,643	581,766	81.6%
Quanzhou	Jinhui New Block Academy	Residential/commercial	2023	30,865	96,877	96.0%
Quanzhou	Parcel No. 11 at Luojiang	Residential/commercial	2024	64,921	219,254	25.0%
Quanzhou	Land parcel J-05-01 at Anxi	Residential/commercial	2024	20,267	69,698	86.4%
Quanzhou	Shishi Heming	Residential/commercial	2023	31,959	106,500	49.0%
Quanzhou	Parcel S2021-13 in Shishi	Residential/commercial	2025	21,879	78,230	81.6%
Quanzhou	Parcel S2021-14 in Shishi	Residential/commercial	2025	19,646	71,115	81.6%
Fuzhou	Jinhui New Block Garden	Residential/commercial	2021	19,891	8,164	96.0%
Fuzhou	Jinhui Lanlinxuan	Residential/commercial	2021	63,518	16,645	96.0%
Fuzhou	Huai'an Phase I	Residential/commercial	2014	266,962	3,488	57.6%
Fuzhou	Huai'an Phase II	Residential/commercial	2020	357,309	20,439	57.6%
Fuzhou	Huai'an Phase III	Residential	2025	360,992	82,945	57.6%
Fuzhou	Huai'an Phase V	Residential	2016	56,873	9,080	57.6%
Fuzhou	Radiance Plaza	Commercial	1999	1,141	16,760	96.0%
Fuzhou	Jinhui New Block Mansion	Residential/commercial	2024	22,088	54,459	96.0%
Shangrao	Shangrao Tongluowan	Residential/commercial	2027	232,917	600,288	49.0%
Fuqing	New Block Avenue	Residential/commercial	2022	43,071	3,438	96.0%
Fuqing	Jiangshan Elite's Mansion	Residential/commercial	2021	49,504	8,825	37.4%
Fuqing	Guanlan Elite's Mansion	Residential/commercial	2020	49,440	2,054	96.0%
Fuqing	New Block Academy	Residential/commercial	2020	53,168	4,083	34.6%
Fuqing	New Block Garden	Residential/commercial	2022	45,138	500	49.0%
Fuqing	East Elite's Mansion	Residential	2022	16,330	1,764	49.0%
Fuqing	Zhongyang King's Garden	Residential/commercial	2022	65,225	8,262	67.2%
Fuqing	Land Parcel No.2021 Lot-13	Residential/commercial	2025	91,256	199,094	57.6%
Subtotal of Southeastern China region					2,284,728	
Subtotal of interests in Southeastern China region					1,458,014	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Shenzhen/Huizhou</i>						
Foshan	New Block Avenue	Residential/commercial	2021	43,523	12,403	96.0%
Foshan	Lingnan Elite's Mansion	Residential/commercial	2021	17,165	25,630	96.0%
Foshan	New Block Academy	Residential	2020	23,275	12,009	48.0%
Foshan	Yunjing Garden	Residential/commercial	2025	44,207	168,247	96.0%
Foshan	Yunzhu Garden	Residential/commercial	2025	66,439	238,878	96.0%
Huizhou	Dongdi Huayuan	Residential/commercial	2020	19,231	14,257	96.0%
Huizhou	Jinhui Elegant Pavilion	Residential/commercial	2021-2022	49,915	30,770	96.0%
Huizhou	New Block Mansion	Residential/commercial	2022	12,415	9,372	96.0%
Huizhou	Gaoling Phase II	Residential/commercial	2024	67,841	317,080	96.0%
Huizhou	Land parcel at Kaoling Township, Qiuchang Street, Huiyang District	Residential/commercial	2024	39,344	174,545	96.0%
Huizhou	Land parcel at Jiangjun Road, Qiuchang Street, Huiyang District	Residential/commercial	2025	43,506	148,330	96.0%
Huizhou	North of Baiyun district, 67,000 sq.m	Residential/commercial	2025	72,128	353,283	96.0%
Subtotal of Shenzhen/Huizhou					1,504,804	
Subtotal of interests in Shenzhen/Huizhou					1,438,848	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Yangtze River Delta/ Shanghai</i>						
Hangzhou	Jiushang Elite's Mansion	Residential	2020	64,505	20,659	96.0%
Hangzhou	Ziya Elite's Mansion	Residential	2020	11,349	16,065	96.0%
Shaoxing	New Block Guanlan Garden	Residential/commercial	2022	70,150	33,240	96.0%
Shaoxing	Shaoxing Mirror Lake	Residential/commercial	2022	48,883	23,627	96.0%
Shaoxing	Peninsula Elite's Mansion	Residential	2022	57,812	12,551	96.0%
Shaoxing	Jingyue Elite's Mansion	Residential	2023	63,210	163,004	96.0%
Shaoxing	Huiyi Elite's Yunting	Residential/commercial	2024	29,366	89,150	96.0%
Suzhou	Sea Breeze Garden	Residential/commercial	2020	18,866	14,594	96.0%
Suzhou	New Block Four Seasons Garden Phase I	Residential	2021	25,934	8,824	96.0%
Suzhou	New Block Four Seasons Garden Phase II	Residential	2022	28,102	10,817	96.0%
Suzhou	Qianwan Commercial Center	Commercial	2019	39,428	45,567	96.0%
Suzhou	Runyuan Mansion Yayuan	Residential	2021	43,611	9,645	96.0%
Suzhou	New Block Jiang Lai	Residential/commercial	2024	85,305	138,108	96.0%
Suzhou	Taicang Block No.17	Commercial	2026	35,504	72,999	96.0%
Suzhou	Riverside Yunjing Garden	Residential/commercial	2023	41,941	44,510	67.2%
Suzhou	Runyuan King's Garden	Residential	2019	80,669	18,771	96.0%
Nantong	Jinhui Elite's Mansion	Residential	2024	38,049	97,042	96.0%
Wuxi	Xidong King's Garden	Residential	2023	128,379	329,018	96.0%
Shanghai	Jinhui Tiancui Garden	Residential	2019	32,142	7,869	96.0%
Shanghai	Jingang Commercial Plaza	Commercial	2017	31,438	46,484	96.0%
Shanghai	Shanghai Jiulong Hotel	Commercial/hotel	2023	1,943	31,750	96.0%
Ningbo	Huiyi Yunting	Residential/commercial	2022	26,477	1,395	96.0%
Ningbo	Jiangyue Waterflow	Residential/commercial	2024	122,292	158,884	57.6%

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Ningbo	Zilin Yunting	Residential/commercial	2025	48,012	123,720	96.0%
Ningbo	Chengyang Yunfu	Residential/commercial	2025	25,091	65,127	96.0%
Ningbo	Yuyao Meishan Road Project	Residential/commercial	2025	54,476	135,375	96.0%
Subtotal of Yangtze River Delta region					1,718,795	
Subtotal of interests in Yangtze River Delta region					1,576,213	
Subtotal of land bank developed by the Group and its subsidiaries					21,214,739	
Subtotal of interests in the land bank developed by the Group and its subsidiaries					18,254,720	
Properties developed by the Group's joint ventures and associates						
<i>Southwestern China</i>						
Chongqing	Luming House	Residential/commercial	2021	157,427	41,061	32.6%
Chongqing	Jinke Jinhui Meiyuan	Residential/commercial	2018-2021	177,239	27,462	47.0%
Chongqing	Jinke Jinhui Bocui Mountain	Residential/commercial	2018-2021	188,419	18,353	47.0%
Chongqing	Liyue Jiangshan	Residential/commercial	2019-2023	61,919	26,596	19.2%
Chengdu	Midea Jinhui Town	Residential	2022	41,940	12,443	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase I	Residential/commercial	2019	39,038	15,842	48.0%
Chengdu	Peninsula Elite's Mansion Community Phase II	Residential/commercial	2019	71,472	22,479	48.0%
Subtotal of Southwestern China region					164,236	
Subtotal of interests in Southwestern China region					64,427	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Central China						
Hefei	Duhui City	Residential/commercial	2022-2023	109,852	28,908	24.0%
Changsha	Jinhui Weichu Mansion	Residential/commercial	2022	60,331	12,058	48.0%
Jingzhou	Chuyue Elite's Mansion	Residential/commercial	2022	51,187	31,720	48.0%
Subtotal of Central China region					72,686	
Subtotal of interests in Central China region					27,951	
Bohai Economic Rim						
Tianjin	Yonghe Yayuan	Residential	2027	45,437	90,126	38.4%
Tianjin	Yunzhu Garden	Residential/commercial	2027	62,024	107,526	57.6%
Shijiazhuang	Jinke Tianyu Community	Residential	2026	56,946	161,604	33.6%
Shijiazhuang	Jinke Bocui Garden	Residential	2019	37,004	–	24.0%
Shenyang	Jimei Wanxiang	Residential/commercial	2020	78,517	17,651	31.7%
Beijing	Daxing Huang Village Project	Residential/commercial	2025	108,244	393,784	24.0%
Subtotal of Bohai Economic Rim region					770,691	
Subtotal of interests in Bohai Economic Rim region					250,942	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Eastern China</i>						
Lianyungang	New Block Academy	Residential	2020	51,452	23,245	49.0%
Lianyungang	Gaoxin Elite's Mansion	Residential	2023	79,720	149,654	48.0%
Lianyungang	New Block Garden Phase I	Residential/commercial	2023	122,205	88,713	8.7%
Lianyungang	New Block Garden Phase II	Residential/commercial	2022	124,566	7,365	8.7%
Lianyungang	New Block Garden Phase III	Residential/commercial	2024	131,888	234,739	8.7%
Nanjing	Time Mansion	Residential/commercial	2022	131,964	11,704	47.0%
Nanjing	Mansion Yayuan	Residential/commercial	2019	28,257	2,992	57.6%
Yangzhou	Tang Yuan	Residential/commercial	2020	72,660	4,109	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential/commercial	2024	25,157	80,801	48.0%
Xuzhou	Jiangshan Yunjing Community	Residential	2024	24,514	83,246	48.0%
Xuzhou	New Block Riverside	Residential/commercial	2021	50,212	14,541	48.0%
Subtotal of Eastern China region					701,109	
Subtotal of interests in Eastern China region					207,007	
Northwestern China						
Xi'an	Jinhui Mansion	Residential/commercial	2017	64,269	22,102	96.0%
Zhengzhou	Binhe Elite's Mansion	Residential/commercial	2023	88,578	203,400	49.0%
Subtotal of Northwestern China region					225,502	
Subtotal of interests in Northwestern China region					120,802	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Southeastern China</i>						
Fuzhou	Lexin Garden	Residential/commercial	2022	125,737	41,123	31.7%
Fuzhou	Yuzhou Jinhui Zhongyang Garden	Residential/commercial/office building	2020	45,134	14,844	32.6%
Fuzhou	Jinhui Longyue Garden District 1	Residential	2022	86,558	48,263	57.6%
Fuzhou	Jinhui Longyue Garden District 2	Residential/commercial	2019	19,163	3,354	57.6%
Fuzhou	Guanlan Mansion	Residential/commercial	2026	19,515	59,439	47.0%
Fuqing	Bright Binjiang	Residential/commercial	2021	99,992	12,323	47.0%
Fuqing	Bright Tianjing	Residential/commercial	2021	26,133	12	47.0%
Fuqing	Bright Tianyue	Residential/commercial	2021	36,757	6,951	15.0%
Fuqing	City Plaza	Residential/commercial	2021	75,854	17,606	48.0%
Fuqing	Boyue Mansion	Residential/commercial	2020	41,675	1,836	32.0%
Subtotal of Southeastern China region					205,751	
Subtotal of interests in Southeastern China region					91,451	
<i>Shenzhen/Huizhou</i>						
Foshan	Elite's Mansion Mingyuan	Residential/commercial	2021	39,844	64,090	49.0%
Huizhou	Baoliyue Mansion	Residential/commercial	2020	27,990	844	32.0%
Subtotal of Shenzhen/Huizhou					64,934	
Subtotal of interests in Shenzhen/Huizhou					31,649	

Region	Project	Main Planned Usage of Projects	Actual/Estimated Completion Year	Site Area (sq.m)	Gross Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
<i>Yangtze River Delta</i>						
Hangzhou	Zizhangtai Apartment	Residential	2020	68,263	96,492	49.0%
Hangzhou	Huiyi Elite's Mansion	Residential	2020	59,668	49,612	47.0%
Shaoxing	Guanlan Yunting	Residential	2024	117,391	300,012	48.0%
Ningbo	Jinhui & Powerlong Plaza	Residential/commercial	2023	86,528	283,991	47.0%
Suzhou	Lanxi Bay Yuyuan	Residential	2019	66,738	10,496	30.7%
Suzhou	Shanghu King's Garden	Residential	2019	46,004	20,348	31.7%
Suzhou	Sea Time Garden	Residential	2020	69,206	40,066	15.4%
Suzhou	Huaman Seasons Garden	Residential	2020	32,044	345	49.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase I	Residential	2020	24,583	15,580	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase II	Residential	2021	30,760	16,700	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase III	Commercial/office building	2023	7,239	53,459	47.0%
Subtotal of Yangtze River Delta region					887,101	
Subtotal of interests in Yangtze River Delta region					<u>404,500</u>	
Subtotal of land bank developed by the Group's joint ventures and associates					3,092,010	
Subtotal of interests in the land bank developed by the Group's joint ventures and associates					<u>1,198,729</u>	
Total					24,364,065	
Total interests					<u><u>19,508,472</u></u>	

FINANCIAL REVIEW

Revenue

For the Period, the revenue of the Group was approximately RMB18,348.7 million, representing an increase of 0.7% as compared to approximately RMB18,216.3 million of the corresponding period of 2022. The Group's revenue mainly derived from the development and sales of its residential properties and commercial properties. The Group also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to the Group's joint ventures and associates.

The table below sets forth the certain information related to the Group's revenue:

	For the six months ended 30 June			
	2023		2022	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development and sales	18,120,578	98.7	18,002,629	98.8
Residential	17,763,777	96.8	17,456,258	95.8
Commercial	356,817	1.9	546,371	3.0
Property leasing	213,034	1.2	196,515	1.1
Management consulting services	15,046	0.1	17,148	0.1
Total	<u>18,348,658</u>	<u>100.0</u>	<u>18,216,292</u>	<u>100.0</u>

Revenue from Property Development and Sales

For the Period, the revenue from property development and sales was approximately RMB18,120.6 million, representing an increase of 0.7% as compared to approximately RMB18,002.6 million for the corresponding period of 2022. The increase in the Group's revenue from property development and sales was primarily attributable to an increase in the number of completed and delivered property projects of the Group, which resulted in an increase in the Group's total GFA delivered, especially in Bohai Economic Rim region which showed greater increase during the Period.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing the Group's commercial properties, such as office buildings, shopping malls and shopping streets. The Group's rental income increased by approximately 8.4% to RMB213.0 million for the Period from RMB196.5 million for the six months ended 30 June 2022. The increase was mainly due to the stable occupancy rate and rental level of the Group's investment properties during the Period.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. The Group's revenue from management consulting services decreased by approximately 12.3% to RMB15.0 million for the Period from RMB17.1 million for the six months ended 30 June 2022, which was mainly due to the decrease in the management consultancy fees received from joint ventures and associates during the Period.

Cost of sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the Period, the Group's cost of sales amounted to approximately RMB16,022.0 million, representing an increase of 6.9% as compared to that of RMB14,985.5 million for the six months ended 30 June 2022. The increase was primarily attributable to the increase in the total GFA of the Group's corresponding projects delivered.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased to RMB2,326.7 million for the Period from RMB3,230.8 million for the six months ended 30 June 2022.

The Group's gross profit margin decreased to 12.7% for the Period from 17.7% for the six months ended 30 June 2022.

Finance income

The Group's finance income primarily consists of interest income from bank deposits. The Group's finance income decreased by approximately 44.4% to RMB27.7 million for the Period from RMB49.8 million for the six months ended 30 June 2022. The decrease was mainly due to the decrease in the Group's bank balances and the decline in interest rates on deposits which led to the decrease in interest income generated from deposits during the Period.

Other Income and Gains

The Group's other income and gains increased to RMB12.9 million for the Period from RMB10.9 million for the six months ended 30 June 2022, which was mainly due to the increase in government subsidy during the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to the Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of the Group's after-sales services to the Group's customers.

The Group's selling and distribution expenses slightly increased by approximately 6.0% to RMB532.1 million for the Period from RMB502.2 million for the six months ended 30 June 2022.

Administrative Expenses

The Group's administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to the Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to the properties leased by the Groups; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by the Group's administrative personnel in the daily operations of the Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase the Group's operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 18.4% to RMB346.8 million for the Period from RMB425.2 million for the six months ended 30 June 2022.

Finance Cost

The Group's finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the Period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost decreased by approximately 35.4% to RMB116.7 million for the Period from RMB180.7 million for the six months ended 30 June 2022, which was primarily attributable to the decrease in the interest expense as a result of a reduction in interest-bearing debts during the Period.

The Group's weighted average cost of indebtedness as at 30 June 2023 was approximately 6.11% (31 December 2022: 6.22%).

Other Expenses

The Group's other expenses decreased by approximately 46.2% to RMB94.0 million for the Period from RMB174.8 million for the six months ended 30 June 2022, which was primarily attributable to the decrease in the Group's external donations and impairment losses on assets.

Fair Value Gains on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of the Group's investment properties. For the Period, the Group recorded fair value gains on investment properties of RMB117.8 million, representing an increase of 9.7% as compared to that of RMB107.3 million for the six months ended 30 June 2022.

Share of Profits of Joint Ventures

For the Period, the Group recorded share of losses of joint ventures of RMB18.8 million, while it recorded share of profits of joint ventures of RMB78.8 million for the six months ended 30 June 2022. Such decrease was mainly attributable to the carry forward of losses of the property projects held by the Group's joint ventures during the Period.

Share of Profits of Associates

The Group's share of associates decreased to losses of RMB44.5 million for the Period from profits of RMB193.2 million for the six months ended 30 June 2022. Such decrease was mainly attributable to the carry forward of losses of the property projects held by the Group's associates during the Period.

Profit Before Tax

The Group's profit before tax decreased by approximately 44.2% to RMB1,331.1 million for the Period from RMB2,384.3 million for the six months ended 30 June 2022.

Income Tax Expenses

The Group's income tax expenses for the Period included the provision made for PRC enterprise income tax and land appreciation tax, net of deferred tax. The Group's income tax expenses decreased by approximately 33.4% to RMB593.9 million for the Period from RMB892.1 million for the six months ended 30 June 2022, which was primarily attributable to the decrease in enterprise income tax as a result of the decrease in the Group's taxable profit.

The effective enterprise income tax rate (i.e. income tax divided by profit before tax) of the Group for the Period was 44.6%, as compared to that of 37.4% for the six months ended 30 June 2022.

Profit for the Period

As a result of the change in the Group's financial data mentioned above, the profit for the Period of the Group decreased by approximately 50.6% to RMB737.3 million during the Period from RMB1,492.2 million during the six months ended 30 June 2022.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 30 June 2023, the Group's net current assets was RMB27,922.6 million (31 December 2022: RMB33,858.4 million). In particular, the Group's total current assets decreased by approximately 10.6% to RMB117,829.0 million as at 30 June 2023 from RMB131,789.1 million as at 31 December 2022. The Group's total current liabilities decreased by approximately 8.2% to RMB89,906.5 million as at 30 June 2023 from RMB97,930.8 million as at 31 December 2022. The decrease of the Group's total current assets was mainly attributable to (i) the decrease in properties under development as a result of the Group's carryforward of income; (ii) the decrease in prepayments, other receivables and other assets; and (iii) the decrease in monetary funds. The decrease in the Group's total current liabilities was mainly attributable to (i) the decrease in contract liabilities as a result of the Group's carryforward of income; and (ii) the decrease in trade payables.

Cash Position

As at 30 June 2023, the Group's cash and bank balances was RMB10,926.8 million (31 December 2022: RMB12,319.5 million). Excluding the restricted cash and pledged deposits, the Group's cash and cash equivalents amounted to RMB4,117.5 million, of which RMB4,086.1 million, RMB2.2 million and RMB29.2 million (31 December 2022: RMB4,410.2 million, of which RMB4,374.9 million, RMB1.5 million and RMB33.8 million) were denominated in Renminbi, Hong Kong dollars and US dollars.

Indebtedness

As at 30 June 2023, the Group's outstanding borrowings amounted to RMB33,184.6 million (31 December 2022: RMB37,815.8 million), save for the RMB2,618.9 million senior notes which were denominated in US dollars, all other borrowings of the Group were denominated in Renminbi.

The table below sets forth the components of the Group's borrowings as of the dates indicated:

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
Current		
Other loans – secured	530,000	1,190,000
Current portion of long term bank loans – secured	10,163,244	8,520,513
Current portion of other loans – secured	385,038	1,226,840
Corporate bonds	453,411	667,743
Senior notes	2,618,862	440,607
Proceeds from asset-backed securities	<u>15,332</u>	<u>70,696</u>
Total current	<u>14,165,887</u>	<u>12,116,399</u>
Non-current		
Bank loans – secured	14,252,396	14,718,167
Bank loans – unsecured	59,900	50,000
Other loans – secured	1,356,500	839,300
Corporate bonds	1,668,042	2,797,578
Senior notes	–	2,075,827
Proceeds from asset-backed securities	<u>1,681,856</u>	<u>5,218,481</u>
Total non-current	<u>19,018,694</u>	<u>25,699,353</u>
Total borrowings	<u>33,184,581</u>	<u>37,815,752</u>
Secured	29,601,175	32,974,748
Unsecured	<u>3,583,406</u>	<u>4,841,004</u>
Total borrowings	<u>33,184,581</u>	<u>37,815,752</u>

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
Bank loans repayable:		
Within one year	10,163,244	8,520,513
In the second year	7,166,807	12,584,529
In the third to fifth years, inclusive	2,307,861	1,629,823
Over five years	4,837,628	553,815
	24,475,540	23,288,680
Other borrowings repayable:		
Within one year	915,038	2,416,840
In the second year	1,356,500	839,300
	2,271,538	3,256,140
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	3,087,605	1,179,046
Between one and four years	1,727,154	5,072,690
Over four years	1,622,744	5,019,196
	6,437,503	11,270,932
Total	33,184,581	37,815,752
By fixed or floating interest rates		
Fixed interest rate	17,556,010	19,109,501
Floating interest rate	15,628,571	18,706,251
Total Indebtedness	33,184,581	37,815,752

Pledge of Assets

As at 30 June 2023, the Group's borrowings were secured by the Group's assets in the amount of RMB51,397.08 million (31 December 2022: RMB56,998.39 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; and (v) right-of-use assets.

Financial Risk

The Group's businesses exposed the Group to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize the risk exposures of the Group, the Group does not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantially all of its revenue and expenses are denominated in Renminbi. As at 30 June 2023, among the Group's cash and bank balances, RMB2.2 million and RMB29.2 million was denominated in Hong Kong dollars and US dollars, respectively, senior notes of RMB2,618.9 million were denominated in US dollars, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides its customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and has the right to claim such amounts from the defaulting purchaser. The Group did not incur any material losses during the Period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value are immaterial. As such, no provision has been made in connection with the guarantees.

As at 30 June 2023, the Group has provided guarantees to the banks amounting to RMB22,518.0 million (31 December 2022: RMB35,685.8 million) in total for the financing granted to the purchasers of the Group's properties. As at 30 June 2023, the Group has provided guarantees to the banks and other institutions amounting to RMB1,371.6 million (31 December 2022: RMB1,044.1 million) in total for the financing granted to related companies of the Group. Save as disclosed, during the Period, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during its ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on its business, financial condition or operating results.

Commitment

As at 30 June 2023, the Group had capital commitment of RMB21,089.3 million (31 December 2022: RMB24,893.2 million) in respect of property development activities, acquisition of land use rights, capital contributions payable to joint ventures and associates, capital contribution for acquisition of equity interests.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 30 June 2023, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group had no significant investments held and had no significant acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

Future Plan for Material Investments or Capital Assets

Save as disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 30 June 2023.

EMPLOYEES

As at 30 June 2023, the Group had a total of 1,852 employees, and most of them were based in China. For the Period, staff costs (including Directors' remuneration) was approximately RMB176.6 million (for the six months ended 30 June 2022: approximately RMB248.5 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of its employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

EVENTS AFTER THE PERIOD

On 24 August 2023, Radiance Group Co., Ltd.* (金輝集團股份有限公司), an indirect non-wholly owned subsidiary of the Company, has completed the issuance of the first tranche of the 2023 medium-term notes with a principal amount of RMB800 million at a coupon rate of 4.00% and it is a three-year bond. Details were disclosed in the Company's announcement dated on 24 August 2023.

* *For identification purposes only*

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the Period, the Company applied the principles of and fully complied with the code provisions set out in Part 2 of the Corporate Governance Code (“**CG Code**”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation from code provision C.2.1 of Part 2 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of Part 2 of the CG Code is appropriate in such circumstance.

Notwithstanding the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them has confirmed that he had complied with all applicable code provisions under the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code.

The Audit Committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the audit committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications. As at the date of this announcement, the Audit Committee has also reviewed the unaudited interim results of the Group for the six months ended 30 June 2023.

The interim results for the six months ended 30 June 2023 has not been audited but has been reviewed by Ernst & Young, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2023.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's interim report for the six months ended 30 June 2023 will be despatched to the Shareholders and published on the aforementioned websites in due course.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 31 August 2023

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Mr. Xu Xiaodong and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.