

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



天譽置業 (控股) 有限公司

SKYFAME REALTY (HOLDINGS) LIMITED

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Incorporated in Bermuda with limited liability)

**(Stock Code: 00059 and Bonds Stock Code: 5310, 5311,
5367, 5379, 5567, 5580, 5602, 5626, 5821 and 5855)**

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

UNAUDITED INTERIM RESULTS

The board of directors (the “**Board**”) of Skyfame Realty (Holdings) Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023, together with comparative figures for the corresponding period of 2022.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	1,019,306	799,135
Cost of sales and services	5	<u>(1,382,870)</u>	<u>(847,476)</u>
Gross loss		(363,564)	(48,341)
Other income		320	1,722
Other (loss)/gain - net	4	(403)	1,456
Sales and marketing expenses	5	(70,094)	(56,131)
Administrative and other expenses	5	(95,539)	(180,552)
Fair value changes in investment properties		(16,000)	(137,099)
Impairment loss on properties under development and properties held for sale		(67,502)	(681,551)
Decrease/(increase) in impairment loss of trade receivables, deposits and other receivables		1,324	(229,110)
Loss on disposal of subsidiary	15	<u>(7,725)</u>	<u>(77,360)</u>
Operating loss		(619,183)	(1,406,966)
Share of loss of a joint ventures, net of tax		-	(3,727)
Finance costs - net	6	<u>(454,083)</u>	<u>(438,483)</u>
Loss before income tax		(1,073,266)	(1,849,176)
Income tax credit	7	<u>47,466</u>	<u>218,113</u>
Loss for the period		<u>(1,025,800)</u>	<u>(1,631,063)</u>
Loss for the period attributable to:			
- Owners of the Company		(991,869)	(1,622,300)
- Non-controlling interests		<u>(33,931)</u>	<u>(8,763)</u>
		<u>(1,025,800)</u>	<u>(1,631,063)</u>
Other comprehensive loss, items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>(76,085)</u>	<u>(77,222)</u>
Total comprehensive loss for the period		<u>(1,101,885)</u>	<u>(1,708,285)</u>
Total comprehensive loss for the period attributable to:			
- Owners of the Company		(1,067,954)	(1,699,522)
- Non-controlling interests		<u>(33,931)</u>	<u>(8,763)</u>
		<u>(1,101,885)</u>	<u>(1,708,285)</u>
Loss per share			
- Basic (expressed in RMB)	8	(0.117)	(0.200)
- Diluted (expressed in RMB)	8	<u>(0.117)</u>	<u>(0.200)</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		63,468	112,095
Right-of-use assets		210,507	216,087
Investment properties		2,905,100	3,019,134
Interest in a joint venture		20,162	20,162
Interest in an associate		89,359	89,359
Deferred tax assets		449,675	526,251
		3,738,271	3,983,088
Current assets			
Properties under development		11,636,854	11,840,893
Properties held for sale		2,539,105	2,469,807
Trade receivables	10	165,055	181,557
Other receivables, deposits and prepayments	11	4,440,434	5,105,497
Contract costs		216,464	282,207
Restricted cash		332,696	493,279
Cash and cash equivalents		125,050	83,644
		19,455,658	20,456,884
Assets of a disposal subsidiary classified as held for sale	15	-	1,525,239
		19,455,658	21,982,123
Current liabilities			
Trade payables	13	24,814	35,952
Accruals and other payables	13	4,735,630	5,437,758
Contract liabilities		3,282,430	4,165,517
Lease liabilities		17,507	17,507
Bank and other borrowings	12	7,103,078	6,746,359
Income tax payable		1,559,260	1,620,398
		16,722,719	18,023,491
Liabilities of a disposal subsidiary classified as held for sale	15	-	985,607
		16,722,719	19,009,098
Net current assets		2,732,939	2,973,025
Total assets less current liabilities		6,471,210	6,956,113

		As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	Note		
Non-current liabilities			
Bank and other borrowings	12	5,352,659	4,690,058
Lease liabilities		201,962	191,715
Deferred tax liabilities		362,918	367,229
		<u>5,917,539</u>	<u>5,249,002</u>
Net assets		<u>553,671</u>	<u>1,707,111</u>
EQUITY			
Share capital		26,092	26,092
Other reserves		1,641,518	1,717,603
Accumulated losses		<u>(2,135,154)</u>	<u>(1,143,285)</u>
Equity attributable to owners of the Company		<u>(467,544)</u>	<u>600,410</u>
Non-controlling interests		<u>1,021,215</u>	<u>1,106,701</u>
Total equity		<u>553,671</u>	<u>1,707,111</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Skyfame Realty (Holdings) Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its (a) registered office, (b) head office and principal place of business in the People’s Republic of China (“**PRC**”), and (c) principal place of business in Hong Kong are at (a) Clarendon House, 2 Church Street, Hamilton HM11, Bermuda; (b) 32nd to 33rd floors of HNA Tower, 8 Linhe Zhong Road, Tianhe District, Guangzhou, Guangdong Province, PRC and (c) Unit 1401, 14th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong, respectively.

The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”. The principal activity of the Company continues to be investment holding. Other than the operations in our youth community developments which currently do not bear operating results, assets or liabilities of significance to the Group, the principal activities of its subsidiaries are property development, property investment and property management.

These financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim financial information has been prepared in accordance with HKAS 34 “Interim Financial Reporting”. The interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements, except the adoption of new and amended standards and interpretation as described below.

(a) New and amended standards and interpretation adopted by the Group on 1 January 2023

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of new and amended standards and interpretation did not have any material impact on the interim financial information.

(b) New standards and amendments not yet adopted

The following new standards and amendments have been published that are not mandatory for the six months ended 30 June 2023 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1	Non-Current Liability with Covenants	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024

(c) Going concern basis

As adversely affected by the ongoing challenges facing the real estate market in China, the Group incurred a loss attributable to owners of the Company of approximately RMB991.9 million for the six months ended 30 June 2023. As at 30 June 2023, the Group had total bank and other borrowings of RMB12,455.7 million, of which RMB7,103.1 million were current bank and other borrowings repayable within 12 months, while the Group's cash and cash equivalents amounted to RMB125.1 million and restricted cash was RMB332.7 million.

Appointment of joint provisional liquidators

On 24 June 2022, the Company failed to repay all the outstanding principal of a secured loan of HK\$340 million together with its accrued but unpaid interest thereon after the grace period which triggered the cross-default of all offshore debts of the Group. If the relevant creditors of the other offshore financing arrangements of the Group choose to accelerate the payment in accordance with the terms of such financing arrangements, such financing arrangements may become due and payable immediately which will cause the Group's offshore debts to suffer heavy blows and also make the Group face unprecedented liquidity pressure at this stage.

In order to protect the fair and reasonable interests of all the Company's creditors, the Company is exploring various options to restructure the Company's debt and made an application with the Bermuda Court for appointment of "light touch" provisional liquidators and presented a winding-up petition (the "**Petition**"). Upon the hearing at the Bermuda Court on 15 August 2022 (Bermuda time) of the said application, an order in favour of the Company was granted, Joel Edwards of EY Bermuda Ltd. in Bermuda, So Kit Yee Anita and Lau Wun Man both of Ernst & Young Transactions Limited in Hong Kong were appointed as the joint provisional liquidators (the "**JPLs**") on a light touch approach with limited powers for restructuring purposes. For the petition of the Company, the Bermuda Court adjourned the hearing of the Petition to 6 October 2023 (Bermuda time). In respect of the latest progress, please refer to the Company's announcement which uploaded on the Stock Exchange from time to time.

In addition, one of the creditors of the Company filed a winding up petition to the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) in relation to the alleged non-repayment by the Company of the senior notes. The High Court has made an order on 28 August 2023 that the petition in Hong Kong be dismissed. In respect of the latest progress, please refer to the Company’s announcement which uploaded on the Stock Exchange from time to time.

All the above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken by the Group to mitigate its liquidity pressure and to improve its financial position which include, but are not limited to, the followings:

- (i) The Group is undergoing the debt restructuring plan (the “**Debt Restructuring Proposal**”). The Debt Restructuring Proposal refers to a plan for restructuring of the indebtedness of the Company which involves, among other things: (i) revise certain key terms and conditions of the original borrowing agreements and indentures, including but not limited to extension of principal and interest payment schedules and reduction in applicable interest rates; and (ii) convert the outstanding debts into equity interests of company holding the economic interest of project companies of the Group.

In respect of the above, the Company and the JPLs to plan, analysis and facilitate the Debt Restructuring Proposal and to actively negotiating with the creditors of the Company for the Debt Restructuring Proposal.

- (ii) In relation to the secured and non-secured bank borrowings which contain cross default clause, the Group is actively negotiating with the lenders for the waiver of the relevant clause.
- (iii) The Group is identifying and negotiating with potential investors to invest in various projects undertaken by the Group.
- (iv) The Group is in active negotiations with certain potential buyers for disposal of certain commercial properties of the Group.
- (v) The Group will continue to take active measures to control administrative costs through various channels, including human resources optimisation, management remuneration adjustment and containment of capital expenditures.
- (vi) The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceed so as to generate adequate net cash inflows.
- (vii) The Group has uncommitted project loan facilities and other general facilities which can provide sufficient funding for the Group’s project construction payments or other project related payments such as compensation for residential demolition of urban redevelopment projects. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule as planned, such that the Group is able to release restricted pre-sale proceeds from the designated bank accounts to meet its other financial obligations; and

- (viii) The Group will also continue to seek for other alternative financing, such as equity financing to finance the settlement of its existing financial obligations and future operating expenditures.

In the opinion of the directors of the Company, in light of the above plans and measures and taking into account the anticipated cash flows to be generated from the Group's operations, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the directors of the Company consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Should the Group failed to achieve abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down 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 condensed consolidated financial statements.

3 SEGMENT INFORMATION

The executive directors, as the chief operating decision-makers ("CODM") of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and commercial operation.

Revenue consists of sales of properties, income of property management services, rental income of investment properties and commercial operation. Revenue of the period consists of the following:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sale of properties	972,256	700,198
Property management services	36,545	84,435
Rental income	9,388	13,009
Commercial operation	1,117	1,493
	<u>1,019,306</u>	<u>799,135</u>

The Group's operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

Segment results represent the profit earned by each segment without fair value losses on financial assets, impairment loss on financial assets, impairment loss on properties under development and properties held for sale, share of losses of associate and joint venture, loss on disposal of subsidiary, unallocated corporate net expenses, finance costs – net and income tax expense. Property management services comprise mainly of provision of property management services and rental assistance services. Commercial operation services are mainly operations in youth community projects. This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance.

For the purpose of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segments other than interests in a joint venture and an associate, cash and cash equivalents, deferred tax assets and certain unallocated corporate assets.
- All liabilities are allocated to operating segments other than income tax payable, deferred tax liabilities and certain unallocated corporate liabilities.

The segment results and other segment items for the six months ended 30 June 2023 are as follows:

	Property development <i>RMB'000</i> (Unaudited)	Property management <i>RMB'000</i> (Unaudited)	Property investment <i>RMB'000</i> (Unaudited)	Commercial operation <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue						
External revenue	972,256	36,545	9,388	1,117	-	1,019,306
Inter-segment revenue	-	-	-	-	-	-
	<u>972,256</u>	<u>36,545</u>	<u>9,388</u>	<u>1,117</u>	<u>-</u>	<u>1,019,306</u>
Timing of revenue recognition						
At a point in time	972,256	-	-	-	-	972,256
Transferred over time	-	36,545	-	1,117	-	37,662
Revenue from other sources	-	-	9,388	-	-	9,388
Total	<u>972,256</u>	<u>36,545</u>	<u>9,388</u>	<u>1,117</u>	<u>-</u>	<u>1,019,306</u>
Segment results	(498,912)	(8,462)	(7,521)	(103)	-	(514,998)
<i>Reconciliation:</i>						
Unallocated corporate net expenses						(14,282)
						<u>(529,280)</u>
Decrease in impairment loss of trade receivables, deposits and other receivables						1,324
Impairment loss on properties under development and properties held for sale	(67,502)	-	-	-	-	(67,502)
Fair value changes in investment properties	-	-	(16,000)	-	-	(16,000)
Loss on disposal of subsidiary						(7,725)
Finance costs - net						(454,083)
Consolidated loss before income tax						<u>(1,073,266)</u>
Other segment information:						
Depreciation and amortisation	(9,711)	(110)	(42)	(1)	-	(9,864)

The segment results and other segment items for the six months ended 30 June 2022 are as follows:

	Property development <i>RMB'000</i> (Unaudited)	Property management <i>RMB'000</i> (Unaudited)	Property investment <i>RMB'000</i> (Unaudited)	Commercial operation <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue						
External revenue	700,198	84,435	13,009	1,493	–	799,135
Inter-segment revenue	–	10,381	7,526	–	(17,907)	–
	<u>700,198</u>	<u>94,816</u>	<u>20,535</u>	<u>1,493</u>	<u>(17,907)</u>	<u>799,135</u>
Timing of revenue recognition						
At a point in time	700,198	–	–	–	–	700,198
Transferred over time	–	94,816	–	1,493	(10,381)	85,928
Revenue from other sources	–	–	20,535	–	(7,526)	13,009
	<u>700,198</u>	<u>94,816</u>	<u>20,535</u>	<u>1,493</u>	<u>(17,907)</u>	<u>799,135</u>
Total	<u>700,198</u>	<u>94,816</u>	<u>20,535</u>	<u>1,493</u>	<u>(17,907)</u>	<u>799,135</u>
Segment results	(253,842)	12,388	(3,533)	(103)	–	(245,090)
<i>Reconciliation:</i>						
Unallocated corporate net expenses						<u>(36,756)</u>
						(281,846)
Increase in impairment loss of trade and other receivables						(229,110)
Impairment loss of properties under development	(681,551)	–	–	–	–	(681,551)
Fair value changes in investment properties	–	–	(137,099)	–	–	(137,099)
Share of loss of joint ventures, net of tax						(3,727)
Loss on disposal of a subsidiary						(77,360)
Finance costs – net						(438,483)
Consolidated loss before income tax						<u>(1,849,176)</u>
Other segment information:						
Depreciation and amortisation	<u>(13,860)</u>	<u>(163)</u>	<u>(42)</u>	<u>(1)</u>	<u>–</u>	<u>(14,066)</u>

Segment assets and liabilities as at 30 June 2023 are as follows:

	Property development <i>RMB'000</i> (Unaudited)	Property management <i>RMB'000</i> (Unaudited)	Property investment <i>RMB'000</i> (Unaudited)	Commercial operation <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Reportable segment assets	17,846,800	79,666	3,140,436	3,452	–	21,070,354
Other assets						<u>2,123,575</u>
Total assets						<u>23,193,929</u>
Including:						
Interest in a joint venture						<u>20,162</u>
Reportable segment liabilities	12,617,480	161,416	528,831	3,652	–	13,311,379
Other liabilities						<u>9,328,879</u>
Total liabilities						<u>22,640,258</u>

Segment assets and liabilities as at 31 December 2022 are as follows:

	Property development <i>RMB'000</i> (Audited)	Property management <i>RMB'000</i> (Audited)	Property investment <i>RMB'000</i> (Audited)	Commercial operation <i>RMB'000</i> (Audited)	Elimination <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Reportable segment assets	20,520,931	80,665	3,094,908	3,452	–	23,699,956
Other assets						<u>2,265,255</u>
Total assets						<u>25,965,211</u>
Including:						
Interest in a joint venture						<u>20,162</u>
Reportable segment liabilities	14,601,048	179,458	522,942	3,652	–	15,307,100
Other liabilities						<u>8,951,000</u>
Total liabilities						<u>24,258,100</u>

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated assets are substantially located in the PRC, no geographical information is presented.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

4 OTHER (LOSS)/GAIN - NET

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income and fair value changes from financial assets at FVTPL	-	(7,410)
Others	(403)	8,866
	(403)	1,456

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold – including construction cost, land cost and interest cost	1,307,116	807,286
Staff costs (including directors' emoluments)	60,991	100,831
Advertising costs	69,504	12,314
Other direct costs	19,265	27,607
Taxes and levies	56,489	12,583
Depreciation and amortisation	9,862	14,066
Others	25,276	109,472
	1,548,503	1,084,159

6 FINANCE COSTS - NET

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance costs:		
Interest expense for bank and other borrowings	673,856	575,977
Interest on lease liabilities	10,247	9,680
Less: amount capitalised	(439,521)	(305,855)
	244,582	279,802
Default interest	55,681	-
	300,263	279,802
Foreign exchange losses on financing activities – net	155,903	172,038
	456,166	451,840
Finance income:		
Bank interest income	(2,083)	(13,357)
Finance costs - net	454,083	438,483

7 INCOME TAX CREDIT

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
PRC corporate income tax (credit)/expense	(71,878)	5,387
PRC land appreciation tax expense	20,597	40,298
	<u>(51,281)</u>	<u>45,685</u>
Deferred income tax		
– PRC corporate income tax expense	3,815	(263,798)
Total income tax credit, net	<u>(47,466)</u>	<u>(218,113)</u>

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group's entities located in Mainland China is 25%.

PRC withholding income tax (“WHT”)

Under the Enterprise Income Tax (“EIT”) Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. The relevant overseas holding companies have successfully obtained endorsement from the PRC tax bureau to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group.

PRC land appreciation tax (“LAT”)

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items. The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the interim financial information as the Company and the Group did not have assessable profit in Hong Kong for the period. The profit of the Group's entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

8 LOSS PER SHARE

The calculation of basic loss per share for the periods ended 30 June 2023 and 2022 is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares in issue and participating equity instruments resulting to new shares issued due to the exercises of share options during the periods.

The calculation of the diluted loss per share for the periods ended 30 June 2023 and 2022 is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares after adjustment for the effect of the exercise of the Company's outstanding share option and share award scheme. As the Group incurred loss attributable to the owners of the Company for the period ended 30 June 2023, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive.

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the purposes of basic and diluted loss per share	<u>(991,869)</u>	<u>(1,622,300)</u>
	Number of shares	
	'000	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	8,446,331	8,099,032
Effect of dilutive potential ordinary shares in respect of the Company's share options schemes and share award scheme	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>8,446,331</u>	<u>8,099,032</u>
Basic and diluted (expressed in RMB)	<u>(0.117)</u>	<u>(0.200)</u>

9 DIVIDENDS

No interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil) has been proposed by the Board of Directors of the Company.

10 TRADE RECEIVABLES

	As at	As at
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	181,575	199,537
Less: loss allowance	<u>(16,520)</u>	<u>(17,980)</u>
	<u>165,055</u>	<u>181,557</u>

The majority of the Group's sales are derived from sales of properties, property management services and rental income. Proceeds in respect of sales of properties, property management services and rental income are to be received in accordance with the terms of related sales and purchase agreements and rental contracts. All trade receivables are due from independent third parties.

The ageing analysis of trade receivables as at the respective balance sheet date is as follows:

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Within 30 days	14,845	18,252
Over 30 days and within 90 days	42	133
Over 90 days and within 365 days	3,286	3,278
Over 365 days	<u>163,402</u>	<u>177,874</u>
	<u>181,575</u>	<u>199,537</u>

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Other receivables, deposits:		
Amounts due from non-controlling interests	971,789	1,050,678
Less: Loss allowance	<u>(120,973)</u>	<u>(120,973)</u>
	<u>850,816</u>	<u>929,705</u>
Loan to a borrower, gross	349,000	349,000
Less: Loss allowance	<u>(146,129)</u>	<u>(146,129)</u>
	<u>202,871</u>	<u>202,871</u>
Guarantee deposit of an urban redevelopment project kept by a monitoring governmental authority	568,907	735,273
Sale proceeds kept by a monitoring governmental authority	314,747	411,859
Maintenance funds paid on behalf of properties owners	56,277	56,684
Tender deposit in development project	45,510	45,510
Unpaid up capital to be contributed by a non-controlling shareholder of a subsidiary	24,900	24,900
Wage deposit for migrant workers	13,696	34,159
Others	<u>404,533</u>	<u>138,400</u>
	<u>1,428,570</u>	<u>1,446,785</u>
Less: loss allowance	<u>(990)</u>	<u>(42,937)</u>
	<u>1,427,580</u>	<u>1,403,848</u>
	<u>2,481,267</u>	<u>2,536,424</u>
Prepayments:		
Prepaid construction costs	597,083	1,030,997
Prepaid taxes and surcharges	835,951	994,648
Prepayment for proposed projects	<u>526,133</u>	<u>543,428</u>
	<u>1,959,167</u>	<u>2,569,073</u>
Total	<u>4,440,434</u>	<u>5,105,497</u>

12 BANK AND OTHER BORROWINGS

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Non-current		
Bank borrowings		
– Secured	2,636,385	2,648,901
Bonds		
– Unsecured	1,879,026	1,586,664
Other borrowings		
– Secured	1,787,795	1,281,241
– Unsecured	234,021	236,594
Less: current portion of non-current borrowings	<u>(1,184,568)</u>	<u>(1,063,342)</u>
	<u>5,352,659</u>	<u>4,690,058</u>
Current		
Current portion of non-current borrowings	1,184,568	1,063,342
Bank borrowings		
– Secured	1,126,781	1,045,857
Notes		
– Secured	1,869,795	1,703,969
– Unsecured	2,522,607	2,299,684
Bonds		
– Secured	186,381	158,486
– Unsecured	158,758	143,834
Other borrowings		
– Secured	<u>54,188</u>	<u>331,187</u>
	<u>7,103,078</u>	<u>6,746,359</u>
Total	<u><u>12,455,737</u></u>	<u><u>11,436,417</u></u>

13 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Trade payables	24,814	35,952
Construction costs payable	2,294,395	2,708,306
Accrued taxes and surcharges	1,405,904	1,458,157
Other payables and accruals		
– Related parties	-	274,477
– Third parties	875,980	834,290
Litigation costs	867	8,946
Tender payable to the suppliers	80,434	78,880
Receipt in advance, rental and other deposits from residents and tenants		
– Related parties	213	213
– Third parties	50,135	57,041
Accrued staff salaries and bonuses	27,702	17,448
	4,735,630	5,437,758

As at 30 June 2023 and 31 December 2022, the ageing analysis of trade payables of the Group based on invoice date was as follows:

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Within one year	2,969	8,301
Over 30 days and within 90 days	6,291	6,531
Over 90 days and within 365 days	9,681	6,467
Over 365 days	5,873	14,653
	24,814	35,952

14 OTHER COMMITMENTS

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Expenditure contracted but not provided for in respect of		
– Property construction and development costs	7,075,710	6,488,407

15 DISPOSAL OF SUBSIDIARY AND ASSETS AND LIABILITIES OF A DISPOSAL SUBSIDIARY CLASSIFIED AS HELD FOR SALE

On 30 December 2022, the Group entered a sale and purchase agreement with an independent purchaser in connection with the disposal of the 80% interest in Chongqing Zhiyuan Property Company Limited, an indirectly non-wholly held subsidiary of the Group with effective interest rate of 73.73% (the “Disposal Subsidiary”), with a consideration of RMB542,077,000. The purchaser originally owned 20% equity interest in the Disposal Subsidiary and provided the Group a borrowing with principal amount of approximately RMB280,000,000 as at 31 December 2022. The major classes of assets and liabilities relating to the Disposal Subsidiary have been classified as held for sale in the consolidated statement of financial position of the Group as at 31 December 2022.

During the period ended 30 June 2023, the disposal of the equity shares of Disposal Subsidiary was completed as approved in the shareholders’ meeting of the Company held in 2023, details please refer to the circular of the Company on 21 April 2023. Since then, the Group’s effective interest in the Disposal Subsidiary reduced from 73.73% to 0%, and the assets, liabilities, profit or loss of the Disposal Subsidiary were ceased to be consolidated in the Group during the period. The loss on disposal of the Disposal Subsidiary was approximately RMB7,725,000 and was recognised in the profit or loss of the Company during the period ended 30 June 2023.

The net carrying amounts of assets/(liabilities) of the Disposal Subsidiary as at the disposal date in 2023 were as follows:

	<i>RMB’000</i>
Property, plant and equipment	176
Deferred tax assets	78,260
Properties under development	1,090,879
Other receivables, deposits and prepayments	104,434
Amount due from the Group	274,114
Income tax repayment	8,517
Contract costs	49,954
Restricted cash	798
Cash and cash equivalent	38,634
Accruals and other payables	(201,754)
Contract liabilities	(796,992)
Bank and other borrowings	(40,000)
	<hr/>
Net assets disposed of	607,020
Non-controlling interest at the disposal date	(57,218)
Loss on disposal of the Disposal Subsidiary	(7,725)
	<hr/>
Consideration	542,077
	<hr/> <hr/>
Total consideration including:	
- Borrowing from Disposal Subsidiary to the Group	280,000
- Amount due from the Group to Disposal Subsidiary	262,077
	<hr/>
	542,077
	<hr/> <hr/>
Cash consideration	-
Less: Net cash disposed of Disposal Subsidiary	39,432
	<hr/>
	(39,432)
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

A. Business review

During the first half of 2023, the general economic conditions of the PRC improved slightly following the relaxation of pandemic-related measures and lifting of border controls. However, challenges remain in the property market and construction industry under the dynamism induced by various macro-economic factors. The macro environment of the China's real estate industry has still undergone tremendous downturn. The sale of property industry in China slowed down dramatically and prices fell. Alongside, the real estate developers encountered difficulties in raising fund through traditional channels in the capital market which created tremendous pressure on the liquidity of most market players.

Facing the dynamic changes in the market, the central and local governments have introduced a number of favorable policies to promote the healthy development of the real estate industry. It is expected that the steady growth policy will continue to increase, and a new round of monetary easing will begin with interest rate cuts, and financial support will also be increased to create synergy. The management of the Company expects that the various supportive and comprehensive policies recently issued by the local government to real estate developers will have a positive effect on overall market conditions.

Since late June 2022, in the aftermath of the failure to repay certain loans and notes that were mature, the Group encountered financial difficulties to meet its liabilities falling due. With the intention to implement an orderly administered restructuring program with creditors, the Company has applied to the Bermuda Court for the appointment of "light touch" provisional liquidators for debt restructuring purposes in July 2022 that was approved by the Bermuda Court on 15 August 2022 (Bermuda time). The announcements of the Company have been made on 16 August 2022, 31 October 2022, 6 February 2023, 2 May 2023 and 31 July 2023 in relation to the appointment of JPLs and the Petition. In most recently, the Chief Justice of the Commercial Court of the Supreme Court Bermuda adjourned the hearing of the Petition to Friday, 6 October 2023 (Bermuda time). Further announcements on the progress of the debt restructuring and the Petition will be made by the Company to update the shareholders and potential investors of the Company as and when required.

In the first half of 2023, the Group achieved contracted sales totaling RMB653 million (six months ended 30 June 2022: RMB1.2 billion), declined by 46% compared to the last period. The market downturn has had a material adverse effect on the Company's ability to realize its inventories or implement any disposal plan of its assets.

The Group delivered aggregate GFA of 129,000 sq.m. (six months ended 30 June 2022: 66,920 sq.m.) and recorded property sale revenue before direct taxes of RMB1,059 million (six months ended 30 June 2022: RMB762 million), an increase of 39% as compared to that in last year. The Group had seven projects (six months ended 30 June 2022: eight) with properties delivered, namely Guangzhou Skyfame Byland, Skyfame Zhuhai Bay, Nanning Skyfame Garden, Nanning Skyfame ASEAN Maker Town, Nanning Spiritual Mansions, Kunming Anning Linxi Valley and Kunming Skyfame City.

The Group's recognized sales of properties in sale value before direct taxes and delivered GFA by projects for the period are as follows:

Project	Recognized Sales	
	Gross Amount	GFA Delivered
	<i>RMB'million</i>	<i>sq.m.</i>
Guangzhou Skyfame Byland	27	1,000
Skyfame Zhuhai Bay	646	59,000
Nanning Skyfame Garden	4	1,000
Nanning Skyfame ASEAN Maker Town	4	1,000
Nanning Spiritual Mansions	5	2,000
Kunming Anning Linxi Valley	363	64,000
Kunming Skyfame City	10	1,000
Total in first half of year 2023	<u>1,059</u>	<u>129,000</u>
Total in first half of year 2022	<u>762</u>	<u>66,920</u>

B. Property portfolio

As at 30 June 2023, we have project portfolio and potential land reserves in aggregate GFA of 33.0 million sq.m. mainly located in Guangzhou, Shenzhen, Zhongshan, Zhuhai, Huizhou in the Guangdong-Hong Kong-Macao Greater Bay Area, Nanning and Guilin in the Southern Region of China, Xuzhou and Nanchang in the Eastern Region of China, and Chongqing, Kunming and Guizhou in the Southwestern Region of China. The land reserves provide us a solid capacity for a sustainable growth in the approaching timelines. Depending on the status of development of each project, the profiles about our land bank are categorized into group 1 as "properties completed, under or held for development", group 2 as "co-operation projects" and group 3 as "potential land reserves" as below:

1. Properties completed, under or held for development

As at 30 June 2023, we held seventeen real estate development projects in mainland China of which six have been completed and the others under construction or for imminent development, together with projects that we have minority interests or in joint venture arrangement in which we participated other projects held by third parties that we are acting as project manager. All in all, we are holding interests in eighteen projects, either completed, under construction or for future development. As at 30 June 2023, all these projects render a total GFA of approximately 9.9 million sq.m..

The table below sets out details of property portfolio.

Project	Location	Property type	Estimated total GFA (sq.m.)	Estimated total saleable GFA (Note a) (sq.m.)	Accumulated	Actual/Estimated completion year	The Group's effective interest
					saleable GFA delivered (sq.m.)		
Guangzhou Skyfame Byland	Guangzhou	Residential & commercial	315,000	160,000	127,000	2017 - 19	100%
Guangzhou Fengwei Village Project	Guangzhou	Residential & ancillary commercial	2,104,000	901,000	-	2024 - 30	78%
Guangzhou Luogang Project	Guangzhou	Serviced apartment & ancillary commercial	122,000	101,000	-	2025	99%
Shenzhen Skyfame Health Industrial Park	Shenzhen	Serviced apartment & commercial	183,000	128,000	-	2025	98%
Zhongshan Skyfame Rainbow	Zhongshan	Residential & ancillary commercial	105,000	86,000	86,000	2020	98%
Skyfame Zhuhai Bay	Zhuhai	Residential & ancillary commercial	298,000	212,000	59,000	2023 - 25	78%
Nanning Skyfame Garden	Nanning	Residential & ancillary commercial	1,202,000	960,000	943,000	2016 - 18	78%
Nanning Skyfame ASEAN Maker Town	Nanning	Composite development	1,305,000	1,047,000	767,000	2018 - 26	78%
Nanning Spiritual Mansions	Nanning	Residential and ancillary commercial	749,000	584,000	561,000	2020 - 22	39%
Guilin Lipu Skyfame Jade Valley	Guilin	Villas, residential & serviced apartments	236,000	230,000	-	2024 - 26	97%
Xuzhou Skyfame Time City	Xuzhou	Residential & ancillary commercial	470,000	395,000	378,000	2019 - 21	70%
Xuzhou Skyfame Elegance Garden	Xuzhou	Residential & ancillary commercial	205,000	153,000	131,000	2021 - 23	78%
Xuzhou Skyfame Smart City	Xuzhou	Residential & ancillary commercial	538,000	431,000	-	2023 - 25	89%
Nanchang Skyfame Fenghuangyue	Nanchang	Residential & ancillary commercial	119,000	110,000	75,000	2013	64%
Chongqing Skyfame • Smart City	Chongqing	Composite development	1,195,000	968,000	467,000	2017 - 28	97%
Kunming Anning Linxi Valley	Kunming	Residential & ancillary commercial	295,000	240,000	179,000	2022 - 24	(note b)
Kunming Skyfame City	Kunming	Residential & ancillary commercial	507,000	389,000	65,000	2022 - 27	90%
Sub-total - developed by subsidiaries			9,948,000	7,095,000	3,838,000		
Co-operation project (note c)			336,000	222,000			
Total			10,284,000	7,317,000			

Note:

- (a) Total saleable GFA excludes un-saleable area for municipal facilities, area allocated to a cooperative partner and resettlement housing to be provided without sale considerations in certain projects.
- (b) For Kunming Anning Linxi Valley, a project being developed through a right under a contractual arrangement, the above project profile refers to GFAs under development by the project company.
- (c) Co-operation project refers to the project which is developed by joint venture pursuant to the relative agreements. The above projects profile refers to the GFAs under development.

In Guangdong-Hong Kong-Macao Greater Bay Area:

(1) *Guangzhou Skyfame Byland* (“廣州天譽半島”)

The project, named as Guangzhou Skyfame Byland, is held by a subsidiary of the Company whereas a third party, Guangzhou Port Group Co., Limited (廣州港集團有限公司), is entitled to share 28% in developable GFA of the completed properties. The legal title over the remaining 72% of the completed properties rests with the Group.

The plot is located at Zhoutouzui, Haizhu district, Guangzhou, at the riverside of Bai e lake, one of the top 8 attractions in Guangzhou. The project represents the only sizable luxury living community with the widest river view in downtown of Guangzhou. The project is a mixed use development with a total GFA of approximately 315,000 sq.m. (total saleable GFA of 160,000 sq.m.), consisting of seven towers comprising residential apartments, offices, serviced apartments, municipal and other facilities, underground car parking facilities and supporting commercial facilities.

As at the period end, the entire project had been completed with 800 car parking spaces are retained by the Group for investment purpose.

(2) *Guangzhou Fengwei Village Project* (“廣州鳳尾村項目”)

The project is an old village redevelopment project located in Fengwei Village, Jiufu Street (九佛街), Huangpu District, Guangzhou. The project is adjacent to the Hongwei metro station, which is about one-hour driving distance away from Tianhe District, the centre of Guangzhou, and close to the International Biomedical Innovation Park. The project covers a land for a total GFA of 2,104,000 sq.m. (total saleable GFA of 901,000 sq.m.).

In late of 2020, an indirect wholly-owned subsidiary of the Company namely Nanning Tianyu Jurong Realty Company Limited (“**Tianyu Jurong**”), was notified by Fengwei Village Economic Cooperative Society that, following the open tender process for the introduction of cooperative entity on the Guangzhou Public Resources Trading Service Platform, Tianyu Jurong became the cooperative entity for the project. The demolition works on the land and the construction has been commenced.

(3) *Guangzhou Luogang Project* (“廣州蘿崗項目”)

The project is located at the north of Yin Tong Road (賢堂路) of Yonghe District in Huangpu, Guangzhou. The project occupies a site of 50,263 sq.m. with planned GFA of 122,000 sq.m. (total saleable GFA of 101,000 sq.m.). The land is originally granted for industrial purpose and our management plans to develop the project into serviced apartments and commercial properties. The management is currently negotiating with the district government about the redevelopment of the zone into a commercial project.

Guangzhou Luogang Project has development right enabling the Group to commence development subject to obtaining government approval on conversion of land uses. Investment costs paid on the project are presented as prepayments for proposed projects grouped into “Other receivables and prepayments” of the consolidated balance sheet.

(4) *Skyfame Health Industrial Park* (“天譽大健康智慧工業園”)

The project, named as Skyfame Health Industrial Park is located at the southeast of Guangming New Zone, Shenzhen. The project company holds a right to redevelop on the land for a total GFA of 183,000 sq. m.(total saleable GFA of 128,000 sq.m.) for innovative industrial premises, serviced apartments and offices. We have completed the demolition works on the land and the construction has been commenced.

(5) *Zhongshan Skyfame Rainbow* (“中山天譽虹悅”)

The project, named as Zhongshan Skyfame Rainbow and located on Cui Sha Road (翠沙路), Rainbow Planning Zone at the north of West Zone, Zhongshan, Guangdong province, is a residential development with ancillary commercial properties. The total GFA of the project is about 105,000 sq.m. (saleable GFA of 86,000 sq.m.). The entire project had been completed and 86,000 sq.m. has been delivered to buyers up to 30 June 2023.

(6) *Skyfame Zhuhai Bay* (“天譽珠海灣”)

The Group has interest in a company engaged in a development project in Economic Zone of Gaolan Harbour, Pingshan New Town, Zhuhai, Guangdong province. The project has been developed into a residential development with total GFA of 298,000 sq.m. (saleable GFA of 212,000 sq.m.) for sale and GFA 22,000 sq.m. to be surrendered to the local government as social subsidized housing for talents and public rental housing. Construction is in progress and the management expects to complete the project in 2025. Up to 30 June 2023, a total saleable GFA of 59,000 sq.m. has been delivered to buyers.

In Southern Region of China:

(7) *Nanning Skyfame Garden* (“南寧天譽花園”)

Nanning Skyfame Garden and Skyfame Nanning ASEAN Maker Town, are collectively branded as “Nanning Skyfame City” (“南寧天譽城”). The project is located in the business hub of Wuxiang New District (五象新區) at the southeast of the downtown of Nanning, the capital of Guangxi province. The project has been developed into a residential community, namely “Nanning Skyfame Garden”, with a total GFA of 1,202,000 sq.m. (saleable GFA of approximately 960,000 sq.m.), covering 65 towers for residential and retail properties, car parking facilities, public

and municipal facilities, and residential and commercial units for the resettlement of original occupants. The entire project had been completed, a total saleable GFA of 943,000 sq.m. has been delivered to buyers, the remaining GFA are on sale or held for the youth community operation of the “Yuwu Startup” co-work place.

(8) *Nanning Skyfame ASEAN Maker Town* (“南寧天譽東盟創客城”)

The development covers three land plots of 194,222 sq.m. located at the north of Wuxiang Da Road, Wuxiang New Zone (五象新區), Liangqing District, Nanning, Guangxi. The project is within walking distance from Nanning Skyfame Garden. The project is a development complex divided into east and west zone and is developed in phases. Planned total GFA is 1,305,000 sq.m. (saleable GFA of approximately 1,047,000 sq.m.). The east zone features A-class offices, retail properties and an international 5-star hotel branded as Westin Nanning in a skyscraper in a height of 346 meters named as the Skyfame ASEAN Tower (“天譽東盟塔”), together with a community development consisting of serviced apartments, retail properties, and ancillary facilities specifically developed for young occupants named as “the World of Mr. Fish”(“魚先生的世界”). The west zone features residential and retail properties named as “Nanning Skyfame Byland” (“南寧天譽半島”). Construction works of the two zones is scheduled to complete by phases up to 2026. The development, when completed, will then be a landmark in Wuxiang New District.

Up to 30 June 2023, residential and commercial units of saleable GFA of 767,000 sq.m. have been delivered to buyers. For the undelivered saleable GFA of 280,000 sq.m., the management plans to retain GFA of 50,000 sq.m. to be held for long-term purpose for leasing to tenants engaged in retailing and distribution businesses, and the remaining GFA are scheduled to be delivered in 2023 onwards until 2026, the expected year of delivery of Skyfame ASEAN Tower.

(9) *Nanning Spiritual Mansions* (“南寧檀府·印象”)

The Group participates in an arrangement with 40% equity interest in a project company formed with two other local developers. The project is located in the core area of Wuxiang New Zone, between Skyfame Garden and Vanke Park, at the north of Yudong Avenue (玉洞大道) in Liangqing District, Nanning. The project, named as “Nanning Spiritual Mansions”, is situated on a land plot of approximately 138,000 sq.m. and to be developed in GFA of 749,000 sq.m. (saleable GFA of 584,000 sq.m.), covering residential and commercial properties, school and municipal facilities. Construction works has been completed in phases. Up to 30 June 2023, a total saleable GFA of 561,000 sq.m. has been delivered to buyers.

(10) *Guilin Lipu Skyfame Jade Valley* (“桂林荔浦天譽翡翠谷”)

The land of the project was acquired through a public auction. The project, named as Guilin Lipu Skyfame Jade Valley, is located in Lipu City (荔浦市) at the south of Guilin City. Lipu is the transportation hub to Guilin (桂林), Liao Zhou (柳州), Wuzhou (梧州) and Hezhou (賀州) cities in Guangxi. The plot is rich of natural scenery resources making the project an attractive culture and tourism development. We plan to develop the project into villas, residences and serviced apartments, a hotel and tourist scenic spot. Total GFA to be developed is 236,000 sq.m. of which 230,000 sq.m is saleable. Construction has been commenced and delivery is expected to be in 2024 to 2026.

In Eastern Region of China:

(11) *Xuzhou Skyfame Time City* (“徐州天譽時代城”)

Xuzhou Skyfame Time City is located at Xuzhou Quanshan Jiangsu Economic Development Zone (江蘇徐州泉山經濟開發區) in Xuzhou, Jiangsu province. It is situated in Times Avenue South and Xufeng Highway West in Xuzhou. It is an eco-residential and commercial development with residential and ancillary commercial units. The project was completed, with a total GFA of 470,000 sq.m. (saleable GFA of 395,000 sq.m.) of which saleable GFA of 378,000 sq.m. were delivered up to 30 June 2023.

(12) *Xuzhou Skyfame Elegance Garden* (“徐州天譽雅園”)

The project, named as Xuzhou Skyfame Elegance Garden, is located at 1 km apart from Xuzhou Skyfame Time City. The land plot was acquired through a land auction in 2017 with a total GFA of about 205,000 sq.m. (saleable GFA of 153,000 sq.m.). Up to 30 June 2023, saleable GFA of 131,000 sq.m. has been delivered to buyers. The project is being developed into residential and ancillary commercial development and construction works have been completed in 2023.

(13) *Xuzhou Skyfame Smart City* (“徐州廣譽智慧城”)

The site is located in the north of the downtown of Xuzhou in Jiulihu district (九里湖), next to Zhangxiaolou (張小樓) river and a wetland park under plan. The project, namely Xuzhou Skyfame Smart City, is a mixed development in a total GFA of 538,000 sq.m. (saleable GFA of 431,000 sq.m.), consisting of residential, serviced apartments, commercial properties and a hotel. Construction and pre-sale has commenced with construction works expected to be completed in 2023 to 2025.

(14) *Nanchang Skyfame Fenghuangyue* (“南昌天譽鳳凰樾”)

The site, located in An Yi Xian (安義縣), a national graded eco-friendly living showcase at the northwest from the city of Nanchang, Jiangxi province. The project, named as Nanchang Skyfame Fenghuangyue, with a total saleable GFA of 110,000 sq.m. to be developed into villas and residential properties, street-level shops and a hotel. The entire project has been completed and but subject to certain minor rectification and upgrading works. As of 30 June 2023, GFA of 75,000 sq.m has been delivered to buyers.

In Southwestern Region of China:

(15) *Chongqing Skyfame • Smart City* (“重慶天譽•智慧城”)

The project is located in Nanan District of Chongqing, one of the city’s three major CBDs embracing the central government district, at the river shore of the Yangtze river. The location is one of the top ten key development zones in Chongqing. Total GFA of approximately 1.2 million sq.m. are being developed in two phases into residential, LOFT apartments and commercial properties. The equity interests in the project company were acquired in phases starting in 2018 and 2019.

Phase 1 of the project, named as “Gold Purple” (“紫金一品”), was completed upon our acquisition of the project. Phase 1 consists of GFA 313,000 sq.m. (saleable GFA 254,000 sq.m.). Phase 2, named as “Chongqing Skyfame•Smart City”, is a mixed development consisting of residences, serviced apartments, offices, shopping mall and carparking spaces, in total GFA of 882,000 sq.m. (saleable GFA of 714,000), of which GFA of 249,000 sq.m. are developed for commercial properties to be held for long term and remaining 465,000 sq.m. for sale. Delivery of Phase 2 is scheduled to take place by phases starting from 2020 to 2028. Up to 30 June 2023, aggregate saleable GFA of 467,000 sq.m. has been delivered to the buyers.

(16) *Kunming Anning Linxi Valley* (“昆明安寧林溪谷”)

The Group obtained a right through a contractual arrangement entered with a third party. The project, named as Kunming Anning Linxi Valley (Phase 1), is erected on a plot of approximately 190,800 sq.m. with a planned GFA of approximately 295,000 sq.m. (saleable GFA of 240,000 sq.m.), which will be developed into villas, residential and ancillary commercial properties. Pre-sale was launched and the construction has been completed by phases. Up to 30 June 2023, saleable GFA of 179,000 sq.m. has been delivered to buyers.

(17) *Kunming Skyfame City* (“昆明天譽城”)

The land of this project was acquired through a land auction. The plot is situated in the northeast of Anning city of Kunming. The project, named as Kunming Skyfame City, is the first phase of a youth community project and is a residential development with total GFA of 507,000 sq.m. (saleable GFA of 389,000 sq.m.). Pre-sale was launched in 2020 and the completion of construction is expected by phase until year of 2027. Up to 30 June 2023, aggregate saleable GFA of 65,000 sq.m. has been delivered to the buyers.

2. *Co-operation project*

As of 30 June 2023, our property portfolio consists of project jointly developed by joint venture or we act as project manager pursuant to the relative agreements. The total GFA of these projects are approximately 0.3 million sq.m..

3. *Potential land reserves*

3.1 *Intended bids for lands*

To prepare for future land replenishments, we have signed co-operation agreements with local governments or a third party in Nanning, Xuzhou and Kunming for obtaining lands through future public auctions with an aggregate GFA of 11.7 million sq.m. The lands will be launched for auctions when the conditions set out in the agreements have been fulfilled.

3.2 *Urban redevelopment projects*

The Group also holds potential land reserves through its participation in the redevelopment of some old districts that are subject to the urban redevelopment programs being implemented by local governments in Guangzhou. These remodeling projects will provide an aggregated estimated GFA of approximately 4.7 million sq.m.. Investments made on these projects are included as “Other receivables and prepayments” on the consolidated balance sheet.

Upon obtaining the governmental approval of urban redevelopment and completion of pending land auctions, the Group has capacity of additional land bank in estimated GFA of 16.4 million sq.m..

C. Investment properties

Alongside with the development of properties for sale, the management selects suitable properties from the Group's projects portfolio that renders satisfactory rental yields and has capital appreciation potential. As at 30 June 2023, the Group holds five investment properties in an aggregate GFA of approximately 328,000 sq.m. at aggregated fair values of RMB2,905.1 million in Chongqing, Nanning and Guangzhou for current and future leasing income with details as follows:

1. Commercial properties under development in Chongqing Skyfame • Smart City

As a condition of the land transfer contract in respect of the properties under development in Chongqing Skyfame • Smart City, aggregate GFA of 248,800 sq.m. is to be built into commercial properties for long-term investment purpose. These properties, when completed, will become part of an integrated complex development in a central business district at the Southern Shore District of Chongqing. The property, carries an open market value of RMB1,298.0 million as at 30 June 2023 (31 December 2022: RMB1,302.0 million).

2. Commercial properties in Skyfame Nanning ASEAN Maker Town

Total GFA of 50,000 sq.m. is being built by the project company for leasing to tenants engaged in retail and distribution businesses. This investment property is situated in the east zone of the land plot where grade-A offices, an international hotel and a skyscraper are being built. The property, carries an open market value of RMB645.0 million as at 30 June 2023 (31 December 2022: RMB657.0 million).

3. Car parking spaces in Guangzhou Skyfame Byland

800 car parking spaces in the completed premises were leased to a management company for fixed monthly rent in prior years and currently became vacant. These car parking spaces carry an open market value of RMB486.0 million as at 30 June 2023 (31 December 2022: RMB486.0 million).

4. Commercial podium at Tianyu Garden Phase II

Commercial podium in GFA of 17,300 sq.m. at Tianyu Garden Phase II in Tianhe District, Guangzhou are leased to tenants. The open market value of the property is RMB424.0 million as at 30 June 2023 (31 December 2022: RMB424.0 million).

5. *Office premises at Huancheng HNA Plaza*

Office premises in GFA of 1,500 sq.m. in Huancheng HNA Plaza, Tianhe District, Guangzhou were mostly tenanted as at 30 June 2023. The open market values of the premises as of 30 June 2023 are RMB52.1 million (31 December 2022: RMB52.1 million).

6. *Office premises at Capital Centre*

Office premises in GFA 6,200 sq.ft. (570 sq.m.) at Capital Centre in Wanchai, Hong Kong is currently vacant. The properties were pledged to a secured loan of the Group with the outstanding principal of approximately HK\$198 million together with its accrued but unpaid interest. During the period, the lender has appointed a receiver in Hong Kong to take possession of the property as the Group failed to repay the outstanding loan. The property has been transferred from investment properties to other receivables in the condensed consolidated balance sheet of the Group during the period.

D. *Business Outlook*

In view of a number of serious difficulties currently faced by China's real estate industry, the Group is still cautious in the second half of 2023. Although the real estate regulation policy has turned loose and supportive, the market expectations have not yet been improved. The demand for housing purchases is still sluggish, the financing environment is still steep, and the support policies still need time to be implemented, therefore, the industry continues to be in an extremely difficult time.

In the second half of 2023, the Group will continue to respond calmly, resolve risks, and ensure the stability of the Group's operations; pay close attention to market trends, and seize opportunities for disposal of various projects in the market; continue to accelerate the construction progress of the old renovation project in Fengwei Village in Huangpu District, Guangzhou City, and strive to achieve sales repayment; continue to resolutely carry out asset disposal tasks, and vigorously promote the cash return; continue to focus on maintaining active communication with creditors and all parties and promoting debt restructuring to realise the best interests of creditors.

The real estate industry has always been a pillar industry of China's economy. The yearning for a better life of 1.4 billion Chinese people has not been changed. The Group still has confidence in the long-term development of the property industry, continues to closely follow the national development policy, tries its utmost to help the government solve the housing problems of young people, and works hard on providing them high-quality and affordable accommodation.

E. *Financial Review*

Sales Turnover and Margins

Property sales, net of direct taxes, recorded RMB972.3 million for the period (six months ended 30 June 2022: RMB700.2 million). During the period, the Group had delivered GFA totaling approximately 129,000 sq.m. of properties in seven projects (six months ended 30 June 2022: eight projects), which are namely, Guangzhou Skyfame Byland, Skyfame Zhuhai Bay, Nanning Skyfame Garden, Nanning Skyfame ASEAN Maker Town, Nanning Spiritual Mansions, Kunming Anning Linxi Valley and Kunming Skyfame City, at an overall before-tax average selling price of RMB8,200 per sq.m. (six months ended 30 June 2022: RMB11,400 per sq.m).

Gross deficit on property sales for the period is 34.4% (six months ended 30 June 2022: Gross deficit: 15.3%). The significant downward in gross margin was mainly due to intense market competition and the regulatory policies in the industry resulted in decline in the sale price, together with increase in development cost with certain portion contributed by the finance cost of the general borrowings capitalised in the projects.

The leasing of properties revenue amounted to RMB9.4 million (six months ended 30 June 2022: RMB13.0 million) mainly at the commercial podium at Tianyu Garden Phase II in Guangzhou, 800 car parks at Zhoutouzui, and offices at Capital Centre in Hong Kong. The major investment property under development of the Group, namely serviced apartments on Chongqing Skyfame • Smart City at Chongqing is in progress and expected to be completed in 2023-2024.

Operating expenses

Sales and marketing expenses amounted to RMB70.1 million for the period (six months ended 30 June 2022: RMB56.1 million), an increase of 24.9% compared to the last period is in line with the increase in revenue during the period.

Administrative and other expenses, amounting to RMB95.5 million (six months ended 30 June 2022: RMB180.6 million), decreased by 47.1% compared to last period. The decrease in administrative and other expenses was primarily a result of our cost and expenses control measures implemented during the period.

Total staff costs, one of the major administrative and other expenses, totalling RMB74.3 million for the period (six months ended 30 June 2022: RMB119.7 million) of which RMB13.3 million (six months ended 30 June 2022: RMB18.9 million) were capitalized as development cost of properties under development. As a result of the stringent cost and expense controls starting in late 2021, staff force is further reduced by 37.8% and reflected by the reduction of number of staff to a total of 686 (six months ended 30 June 2022: 1,103) as at period end.

Finance costs – net

Finance costs, representing mainly the arrangement fees and interests incurred on borrowings amounted to RMB739.8 million (six months ended 30 June 2022: RMB585.7 million) for the period. Finance costs were mostly incurred for the development of projects and hence were capitalized as costs of projects under development, remaining RMB300.3 million (six months ended 30 June 2022: RMB279.8 million) charged against the operating results for the period related to general interest not qualified for capitalisation. Finance costs also included interest incurred on lease liabilities amounted to RMB10.2 million (six months ended 30 June 2022: RMB9.7 million) and foreign exchange loss on financing activities of offshore loans denominated in HK\$ and US\$ booked at closing rates as a result of depreciation of RMB against the HK\$ and US\$ during the period.

Income tax credit

Income tax credit mainly includes land appreciation tax of RMB20.6 million (six months ended 30 June 2022: RMB40.3 million) on properties sold in the period and tax credit of RMB71.9 million (six months ended 30 June 2022: provision of RMB5.4 million) for corporate income taxes on assessable earnings for the period, netting off the deferred tax totaling RMB3.8 million (six months ended 30 June 2022: tax credit RMB263.8 million).

Loss for the period

Loss for the period was approximately RMB1,025.8 million (six months ended 30 June 2022: RMB1,631.1 million).

Loss for the period included RMB991.9 million loss attributable to owners of the Company (six months ended 30 June 2022: RMB1,622.3 million) and RMB33.9 million (six months ended 30 June 2022: RMB8.8 million) loss attributable to non-controlling interests.

In the first half of 2023, the Group's net loss attributable to owners and the overall upward pressure on the Group's gross loss were mainly due to (i) in general as a result of intense market competition and the regulatory policies in the industry; (ii) the increase in finance cost; (iii) impairment of inventory and investment properties due to the market uncertainties and the impact of the tough business environment in the real estate industry; and (iv) the expected net foreign exchange losses due to the fluctuations of foreign exchange rate.

Financial Resources

		30 June 2023	31 December 2022
	<i>Change in%</i>	RMB'000	<i>RMB'000</i>
		(Unaudited)	<i>(Audited)</i>
Total assets	decreased by 10.7%	23,193,929	25,965,211
Net assets	decreased by 67.6%	553,671	1,707,111

Total assets of the Group amounted to RMB23,193.9 million, a 10.7% decrease from last year-end. Properties under development at carrying value of RMB11,636.9 million, is the biggest asset category, constituting 50.2% of the total assets of the Group. Total assets also include investment properties of RMB2,905.1 million, properties held for sale totaling RMB2,539.1 million, property, plant and equipment, right-of-use assets totaling RMB274.0 million, trade receivables of RMB165.1 million, other receivables, deposits and prepayments totaling RMB4,440.4 million, restricted cash of RMB332.7 million and cash and cash equivalents of RMB125.1 million.

In order to ease the short-term financial stress and to enhance the liquidity position, the Company will focus on improving the net cash from operating activities and debt restructuring and to meet its funding requirements in its normal course of operation, procuring the disposal of non-core or idle assets and implementing tighter control over costs, working capital and capital expenditures.

Appointment of Joint Provisional Liquidators and Winding Up Petition and Possible Debt Restructuring of the Company

As disclosed in the announcement of the Company dated 16 August 2022 in relation to (i) a winding up petition and an application for the appointment of "light touch" joint provisional liquidators for debt restructuring purposes filed by the Company, upon the hearing at the Bermuda Court on 15 August 2022 (Bermuda time) of the JPL Application, an Order in favour of the Company was granted, Joel Edwards of EY Bermuda Ltd. in Bermuda, So Kit Yee Anita and Lau Wun Man both of Ernst & Young Transactions Limited in Hong Kong were appointed as the joint provisional liquidators on a light touch approach with limited powers for debt restructuring purposes. The Company will continue to maintain active communication with creditors and adopt practicable measures to unite the consensus of creditors in order to promote the implementation of the debt restructuring plan. For the Petition filed by the Company, the Bermuda Court adjourned the hearing of the Petition to 6 October 2023 (Bermuda time).

Management's position and basis on the going concern assumption

As detailed above in relation to the appointment of JPLs and the proposed implementation of debt restructuring plan of the Company, conditions existed as at 30 June 2023 indicating the existence of material uncertainties which may cast significant doubt regarding the Group's ability to continue as a going concern. The management of the Company is actively negotiating with the JPLs and the creditors for a viable debt restructuring plan.

As at the date of publication of the interim financial information, the debt restructuring plan has not been determined yet and the eventual outcome of the debt restructuring plan cannot be determined with reasonable certainty. Assuming the successful implementation of the proposed debt restructuring plan, the Board is of the view that the Group will have sufficient working capital to meet its financial obligation as and when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Capital structure and liquidity

The borrowings of the Group, aggregated to RMB12,455.7 million at the period-end date, increase 8.9% from the balance of RMB11,436.4 million as at 31 December 2022, as a result of net increase in borrowings and the unpaid interests during the period. Borrowings mainly comprises secured and unsecured borrowings from banks and financial institutions and corporate bonds issued to financial institutions and professional investors.

Net debt calculated as total borrowings net of cash and cash equivalents and less guarantee deposits for bank borrowings included in restricted cash (the "Net Debt"), increased to RMB12,318.7 million (31 December 2022: RMB11,340.8 million).

The cash level (exclude restricted cash secured for the payment of construction cost of related properties) at the period-end date increased to RMB137.1 million at 30 June 2023 (31 December 2022: RMB95.6 million), mainly due to the increase in transfer from restricted cash secured for payment of construction cost to cash and cash equivalents and the increase in new borrowing in the PRC during the period. The net gearing ratio (calculated as Net Debt divided by the total equity plus Net Debt) increased to 95.7% as at 30 June 2023 (31 December 2022: 86.9%).

Current assets aggregated to RMB19,455.7 million as at 30 June 2023 (31 December 2022: RMB21,982.1 million), a decrease of 11.5% from last year-end. Current liabilities at the period-end date amounted to RMB16,722.7 million (31 December 2022: RMB19,009.1 million).

The current ratio is 1.2 times as at 30 June 2023 (31 December 2022: 1.2 times). The management continues to pay high attention to the liquidity position and ensure that assets, mostly inventories for sale and properties under development, can be readily turned into cash to meet the financial needs of the Group.

Borrowings and pledge of assets

As at 30 June 2023, certain investment properties, self-use properties, right-of-use assets, properties held for sale and properties under development are mortgaged in favor of commercial banks and financial institutions to secure for financing facilities granted to the Group for general working capital and acquisition needs. In addition, equity interests in certain subsidiaries are charged as security for certain borrowings. As at 30 June 2023, aggregate outstanding balances of these secured borrowings amounted to RMB7,661.3 million.

The pledged assets or the underlying assets represented by these securities carry an aggregate estimated fair value of approximately RMB18.2 billion as at 30 June 2023. Management considers these securities provide sufficient coverage to serve the interests of our creditors.

F. Contingent Liabilities

As at 30 June 2023 and 2022, the Group has been involved in several lawsuits, provision has been made for the probable losses to the Group based on management's assessment on the outcome of the lawsuits taking into account the legal advice and none of these is expected to have a significant effect on the consolidated financial statements of the Group. Other than those disclosed, where appropriate, the Group has no other significant contingent liabilities.

G. Treasury Management

The Group is engaged in property development and other activities which are mainly conducted in the PRC and denominated in RMB, the functional currency of the Company's principal subsidiaries. Nonetheless, certain corporate financing and administrative activities are carried out in Hong Kong and denominated in HK or US dollars. As at 30 June 2023, the Group has Hong Kong and US dollar denominated borrowings equivalent to RMB7,217.2 million, representing 57.9% of total borrowings. All other assets and liabilities in material values are denominated in RMB. These assets and liabilities denominated in non-RMB are converted to RMB at the closing exchange rates of RMB against these US and HK dollars on consolidation into the financial accounts of the Group.

Throughout the period ended 30 June 2023, RMB has depreciated 2.4% against HK and US dollars. As a result, net unrealized foreign exchange losses of RMB155.9 million were recorded when assets and liabilities denominated in foreign currencies are converted into RMB in the financial accounts. In addition, exchange differences arising from consolidation of assets and liabilities of subsidiaries operating in Hong Kong as at 30 June 2023 results to an exchange loss of RMB76.1 million which is recorded in the exchange reserve that forms part of the equity of the Group.

The fluctuations in RMB against the US and HK dollars will bring volatility to the bottom line of the Group against which unrealized losses or profits are booked. The Group's operations are mostly conducted in the PRC, and therefore there is no natural hedge against possible depreciation of RMB. The management will from time to time weigh the benefits of the hedge and costs to be incurred, with a perception of the extent of fluctuations in RMB. We are also exploring other natural hedges, such as investments in different territories where US and HK dollars are the functional currencies, to reduce the exposures of the depreciation of RMB on the financial results and position of the Group.

H. Risk Management

We face lots of business risks as a mainland developer. Amongst the risks, the key risk is the continuing austerity measures imposed by the government on the property sector that restrict demand of home buyers and lending to developers, putting constraints on developers' cash flow. To relieve the risks resulting from these regulations and restrictions, our management is placing specific care about the controlling of financial resources for its expansion in land reserve. The standing risk management committee set up by the board of directors guides our management team to build up controls in the daily operational process and alerts the board on critical risks that may cause significant consequences. Our internal audit department conducts regular reviews to check the implementation of the controls.

I. Employees

As at 30 June 2023, including two executive directors of the Company, the Group employed a total of 686 full-time staff, of which 121 work in site offices, 97 in the head office in Guangzhou and Hong Kong for central management and supporting work for the property development business, and 468 full-time staff in the property management offices in Greater Bay Area, Chongqing, Xuzhou, Nanning, Yongzhou and Kunming. Employees are remunerated according to qualifications and experience, job nature and performance. They are incentivized by cash bonuses benchmarked on performance targets, and options to acquire shares of the Company. Besides, training programs are offered to management trainees and staff at all levels. Remuneration packages are aligned with job markets in the business territories where the staff are located.

CORPORATE GOVERNANCE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the Interim Financial Statements, in compliance with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). However, please note the following issue:

Code Provision C.2.1 – Chairman and Chief Executive

The roles of chairman and chief executive officer of the Company is not separated as required but is currently dually performed by Mr. YU Pan (“**Mr. Yu**”), since 2004.

In order to set out clearer division of responsibilities at the board level and the management team to ensure a more proper segregation of the management of the board of the Company and the management of the Group’s business as required pursuant to the code provision C.2.1 in Corporate Governance Code as set out in the Appendix 14 to the Listing Rules, Mr. Yu resigned as the chief executive officer of the Company with effect from 13 April 2023 while remains as an executive Director of the Company and the chairman of the Board to provide his valuable insight and perspective to the Board. Mr. Jin Zhifeng has been appointed as the CEO with effect from 13 April 2023.

SPECIFIC PERFORMANCE OBLIGATIONS OF THE CONTROLLING SHAREHOLDER

Pursuant to the terms of various bonds instruments and certain facility agreements entered into between the Company or its subsidiaries and various lenders, a change of control event (a “**Change of Control Event**”) happens if Mr. Yu and his associates (as defined under the Listing Rules) cease to (i) collectively be the beneficial owners (directly or indirectly through wholly owned subsidiaries) of at least 30% or 51%, as applicable, of the issued share capital of the Company, or (ii) be the largest shareholder of the Company, or (iii) be employee of the Company or any Group company or any changes in the terms and conditions of employment of Mr. Yu has been made (other than any adjustment in the annual salary of Mr. Yu or any grant of discretionary bonus to Mr. Yu duly approved by the remuneration committee and board of directors of the Company). Upon the occurrence of a Change of Control Event, the lenders will declare the outstanding loan together with accrued interest and all other amounts accrued to be immediately due and payable.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted its own Code of Conduct for Securities Transactions by Directors and relevant employees of the Company (the “Code”) on terms no less exact than the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules and the Code is updated from time to time in accordance with the Listing Rules requirements. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standards as set out in the Code throughout the period under review.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2023.

REVIEW OF UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim financial information of the Group for the six months ended 30 June 2023 has not been reviewed nor audited by the Company's auditor, but the Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2023.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (<http://www.skyfame.com.cn>) and the Stock Exchange (<https://www.hkexnews.hk>). The interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Skyfame Realty (Holdings) Limited
(Provisional Liquidators Appointed)
(For restructuring purposes)
YU Pan
Chairman

Hong Kong, 31 August 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. YU Pan (Chairman) and Mr. JIN Zhifeng (Chief Executive Officer); one non-executive Director, namely Ms. WANG Kailing; and three independent non-executive Directors, namely Mr. WEN Xiaojing, Mr. CUI Yuan and Ms. TANG Yu.