



北京建設 BPHL

BEIJING PROPERTIES(HOLDINGS) LTD

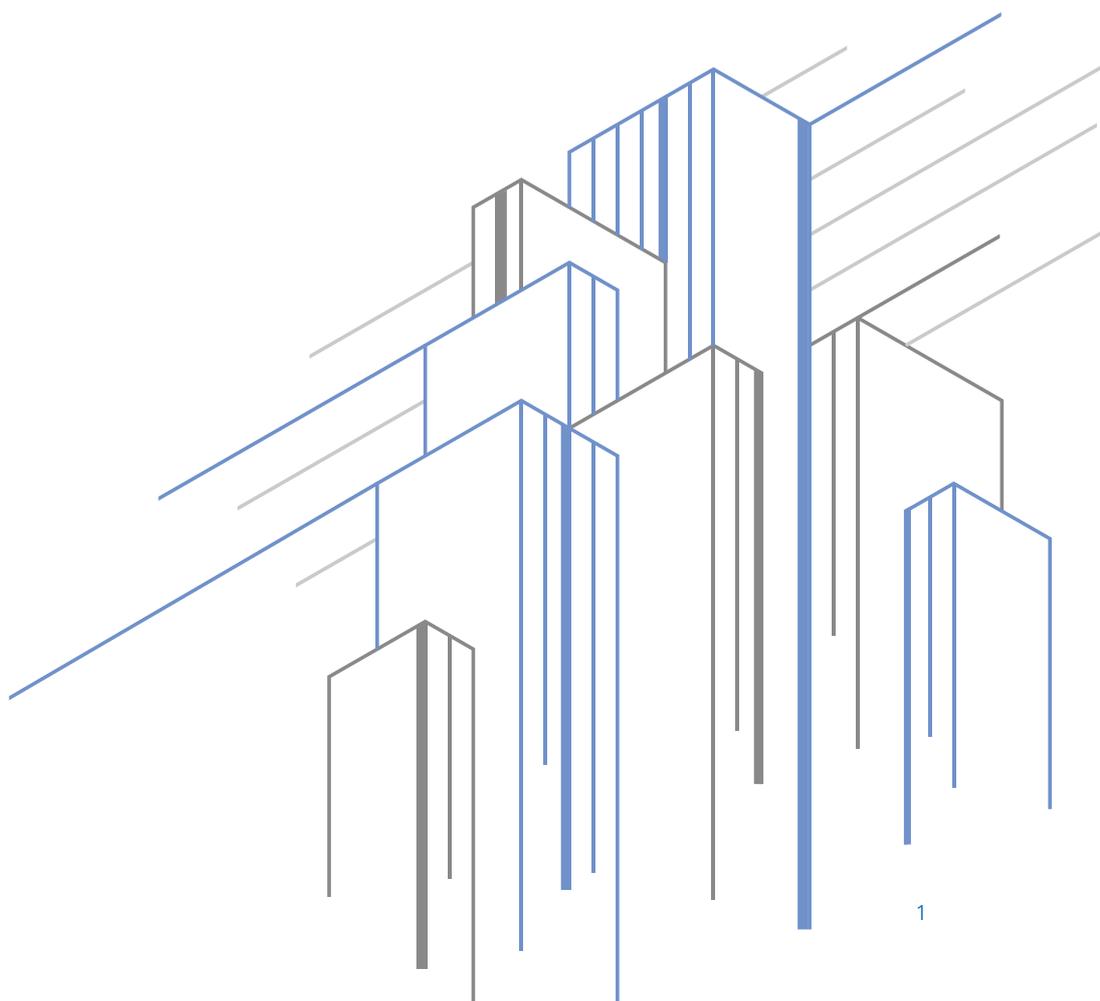
(incorporated in Bermuda with limited liability)
Stock Code : 925

INTERIM
REPORT

2023

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. ZHU Yingying (*Chairman*) (*appointed on 21 July 2023*)
Mr. SIU Kin Wai (*General Manager*)
Mr. XU Zhigang (*appointed on 21 July 2023*)
Mr. ZHANG Xudong
Mr. DONG Qilin
Mr. CHENG Ching Fu (*Chief Financial Officer*)
Mr. YU Luning
Mr. NG Kin Nam
Mr. REN Lin
Mr. QIAN Xu (*resigned on 21 July 2023*)
Mr. ZHAO Jiansuo (*resigned on 21 July 2023*)

Independent Non-Executive Directors

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

Mr. James CHAN (*Chairman*)
Mr. GOH Gen Cheung
Mr. YU Luning
Mr. SONG Lishui
Mr. XIE Ming
Mr. QIAN Xu (*resigned on 21 July 2023*)

REMUNERATION COMMITTEE

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

SUSTAINABILITY COMMITTEE

Mr. SIU Kin Wai (*Chairman*)
Mr. XU Zhigang (*appointed on 21 July 2023*)
Mr. ZHANG Xudong
Mr. CHENG Ching Fu
Mr. James CHAN

COMPANY SECRETARY

Mr. CHENG Ching Fu

STOCK CODE

925

AUTHORIZED REPRESENTATIVES

Mr. SIU Kin Wai
Mr. CHENG Ching Fu (*appointed on 21 July 2023*)
Mr. QIAN Xu (*resigned on 21 July 2023*)

REGISTERED OFFICE

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Bermuda

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Ernst & Young

WEBSITE

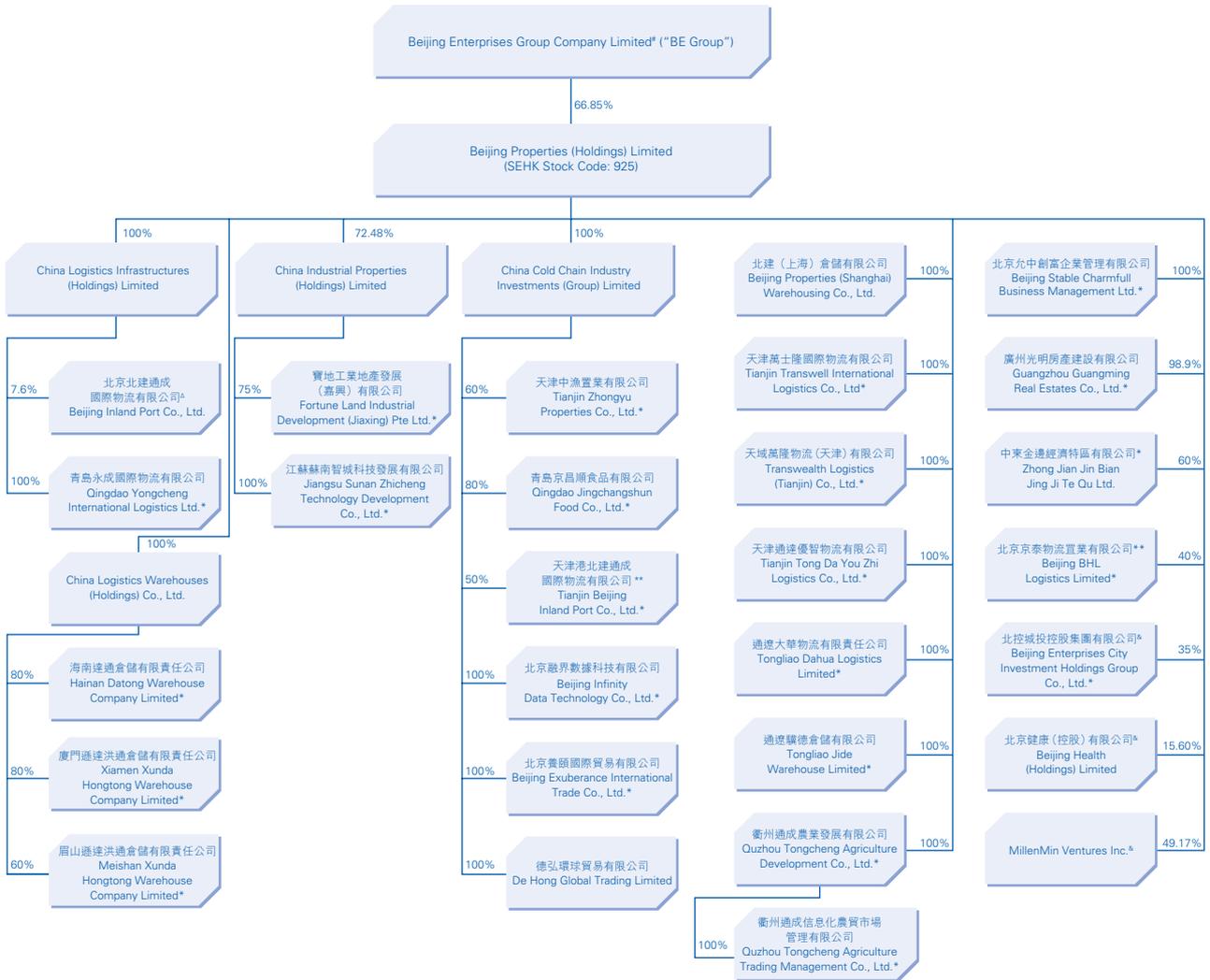
www.bphl.com.hk

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Everbright Bank Co. Ltd.
Taipei Fubon Commercial Bank Co. Ltd.
Industrial and Commercial Bank of China Limited

GROUP STRUCTURE

As at 30 June 2023



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

* For identification purpose only

** Joint venture

& Associate

△ The transaction has been completed on 10 August 2023

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023 (the “2023 Period”), the Group recorded a consolidated loss attributable to the shareholders of the Company of approximately HK\$82,690,000, representing a decrease of approximately HK\$102,920,000 as compared to the consolidated profit attributable to the shareholders of the Company of approximately HK\$20,230,000 recorded in the six months ended 30 June 2022 (the “2022 Period”).

BUSINESS REVIEW

The Group positioned itself as a professional property developer, focusing on logistics warehouses, cold storage, industrial factories and primary land development, while operating certain commercial projects. However, the business in which the Group was engaged previously was a heavy asset investment with a large capital backlog and a long payback period. Therefore, the Group designed a specific business model for sustainable development whereby the projects could generate sustainable income and at the same time promote the value increase of the properties through improved operating results, and ultimately maximise the ultimate return by seizing the most favourable market opportunity to sell when the value is realised. Since 2018, the Group has been actively preparing for the sale of assets of various mature projects, but the overall economic environment continued to deteriorate due to the continuous impact of the change in the country’s operating system, trade wars and fierce geographical conflicts, and the disposals of two assets of the logistics warehouse and three assets of the industrial plant were finally completed in 2022, with considerable return. However, the timing delay has resulted in increased finance costs and reduced asset prices over the past four years, causing the Group to incur continuous losses. Therefore, having cautiously assessed the sustainability of the business in the future, the Group decided to carry out business transformation, i.e. to gradually withdraw from heavy asset investments and leverage on its cold chain business that has been launched since 2019 to penetrate into the upstream and downstream sectors and carry out the food supply chain business in the PRC, with a view to reducing liabilities and finance expenses through the disposal of heavy assets, while diversifying revenue through an increase in revenue to enhance the profitability of the Group.

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

(1) High-end and Modern General Warehouses

High-end and modern logistics warehouses are the developed projects that the Group gives priority for disposal. The Group completed the disposal of 90% interest of the Tongzhou District, Beijing project on 6 June 2022 and the disposal of the remaining 10% interest on 10 August 2023, with capital recovery of approximately RMB180,000,000 (equivalent to approximately HK\$203,706,000). The disposals of the Tong’an District, Xiamen project, the Chengmai District, Hainan project, the Pudong District, Shanghai project, the Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) project, the Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) project and the Jiaozhou City, Qingdao project under that category with the total area of approximately 572,000 sq.m. are also under planning. As currently the Group has entered into sale and purchase agreements for the Tong’an District, Xiamen project and the Chengmai District, Hainan project, the Group will also issue an announcement to each shareholder in relation to relevant development from time to time.



MANAGEMENT DISCUSSION AND ANALYSIS

A list of the areas and occupancy rates of the high-end and modern general warehouses still held by the Group is as follows:

Location of warehouses	Notes	Planned and owned area (sq.m.)	Operating leaseable area (sq.m.)	Average occupancy rate for the six months ended 30 June	
				2023 (%)	2022 (%)
Pudong District, Shanghai ¹	(a)	211,555	211,555	60.45	51.22
Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) ¹	(b)	57,670	57,670	43.46	95.28
Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) ¹	(c)	16,083	16,083	100.00	100.00
Tong'an District, Xiamen ²	(d)	92,466	92,466	81.35	77.99
Dongpo District, Meishan	(e)	97,809	97,809	65.41	58.26
Chengmai District, Hainan ²	(f)	48,702	48,702	80.65	72.05
Ke'erqin District, Tongliao	(g)	31,113	31,113	81.18	78.21
Jiaozhou City, Qingdao ³	(h)	145,170	—	—*	—*
		<u>700,568</u>	<u>555,398</u>		

* Projects under construction

Notes:

1. These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please refer to the announcement dated 18 March 2022 and the circular dated 3 August 2022 of the Company.
2. These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please refer to the announcements dated 18 March 2022, 10 March 2023 and 28 April 2023 and the circular dated 3 August 2022 of the Company.
3. The Group intends to dispose of this project. For details, please refer to the announcement of the Company dated 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

- (a) In 2023, Shanghai experienced the economic downturn, and in the face of severe situation of lease and market pressure, the Shanghai warehouse strengthened its communication with the existing tenants, actively carried out the lease renewal work, and made full use of its resources to assist the tenants in optimizing their business environment. It vigorously expanded new tenant resources to identify the intention of existing tenants to expand their lease. Through the unremitting efforts of the operation team, as at 30 June 2023, the overall occupancy rate of the project increased from 58.71% at the beginning of the year to 62.03%, showing a trend of an overall increase while maintaining stability. The additional leased area in the first half of 2023 was approximately 2,400 sq.m., and the temporary leased area was approximately 4,500 sq.m..
- (b) Tianjin Transwell International Logistics Co., Ltd. (“WSL Logistics”), the Tianjin (Tianjin Airport Zone) warehouse, remained the sole secondary warehouse supervised by Customs within the Tianjin Binhai International Airport area. The original client of Transweath Logistics (Tianjin) Co., Ltd. (“Transweath Logistics”) fully surrendered the lease in February 2023 due to business restructuring and paid compensation to offset the rent accrued up to mid August. After the outbreak of the pandemic, the lease market in Tianjin City showed an overall decreasing trend and there were few new clients on the market. In addition, due to the functional structure limit of Transweath Logistics, it failed to secure any suitable tenants and conclude any lease agreement so far. The average occupancy rate of Phase I and II of Transweath Logistics and WSL Logistics for the first half of 2023 was 43.46%.
- (c) Tianjin (Tianjin Port Zone) warehouse is located in the Tianjin Port Bonded Zone. The project has a total land area of 30,003 sq.m. and a total gross floor area of 16,083 sq.m.. The project has been fully leased to Kerry EAS Logistics Limited Tianjin Branch and remained fully leased in the first half of 2023, with stable revenue stream.
- (d) The Group owns five warehouses and two auxiliary buildings in Xiamen City, Fujian Province with a total leasable area of 92,466 sq.m.. All tenants of the warehouses are well-known domestic e-commerce and warehouse distribution logistics companies, while the auxiliary buildings are leased by a local industrial company. As at the end of June 2023, the occupancy rate of the project was 81.98%.
- (e) The Group owns four warehouses in Dongpo District, Meishan City of Sichuan Province with a total leasable area of approximately 97,809 sq.m.. During 2020 to 2022, the occupancy rate of the Meishan project declined due to the impact of the pandemic and the fierce competition in surrounding markets. Through the unremitting efforts of the team, the occupancy rate of the project currently remained stable and increased to 73.71% as at the end of June 2023.
- (f) The Group owns two warehouses and complex dormitory buildings in Chengmai County, Haikou City, Hainan Province, with a total leasable area of 48,702 sq.m.. The occupancy rate was 82.20% as at the end of June 2023. For the remaining warehouse area, the Group is negotiating with potential customers.
- (g) The Group’s Tongliao project is leased out as a logistics warehousing facility before commercial development. The project is situated at a convenient location in the downtown area of Tongliao City close to the high-speed railway station, with well-developed commercial facilities in its proximity. In 2023, the project team overcame the adverse impact of various factors and continued to increase its efforts in attracting tenants, resulting in a steady increase in the overall occupancy rate. The average occupancy rate for the first half of 2023 was 81.18%.
- (h) In March 2019, the Group has acquired a piece of land located in Jiaozhou Economic and Technological Development Zone, Qingdao, along the west side of Jiaoda Avenue (交大大道) and the south side of Taohe Road (洮河路). The total area of the land is approximately 113,428 sq.m.. The project enjoys a convenient location near the Jiaozhou Bay Express Highway (膠州灣高速) and Jiaozhou’s airport, which is about to be put into operation. Under this project, three 2-storeyed general warehouses and one multistoried cold storage are planned to be constructed conforming with international standards. The total gross floor area is approximately 155,400 sq.m. and the total leasable area is approximately 145,170 sq.m., with a total investment amount of approximately RMB650 million. The construction of the project started in October 2019 and is expected to be completed by the end of 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

(2) Supply Chain Development

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

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

Location of warehouses	Notes	Planned and owned storage capacity (ton)	Operating leaseable storage capacity (ton)	Average occupancy rate for the six months ended 30 June	
				2023 (%)	2022 (%)
Hangu District, Tianjin ¹	(a)	75,000	45,000	69.86	70.10
Chengyang District, Qingdao	(b)	8,000	8,000	100.00	100.00
Tianjin Port Area of Tianjin Free Trade Zone ²	(c)	45,000	45,000	69.72	—*
		128,000	98,000		

^A A joint venture of the Group

* Projects under construction

¹ The Group intends to dispose of this project. For details, please refer to the announcement dated 1 June 2023 of the Company.

² This project has been classified as held for sale as the Group intends to dispose of this project. For details, please refer to the announcements dated 22 February 2023 and 14 July 2023 and the circular dated 20 April 2023 of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (a) The Tianjin Zhongyu cold chain warehouse is positioned to serve as a cold chain logistics hub and a processing and distribution centre for aquatic products in northern China. Occupying an area of approximately 31,301 sq.m., Phase I has both cold chain storage space and freezer with a total storage capacity of approximately 45,000 tons. Phase II of the project has obtained government approval and preliminary work is in progress. When operation commences, the total storage capacity of the Tianjin cold chain warehouse will reach 75,000 tons, thereby creating a comprehensive distribution centre that encompasses cold chain storage, light processing, showroom and cold chain delivery services. Due to the impact of the economic downturn on the whole cold chain industry, there was a continuous increase in the cost of all aspects for cold storage and a decrease in the efficiency of shipment and warehousing of goods. As at 30 June 2023, the combined average occupancy rate of the cold chain storage space and freezer was 69.86%. Since the commencement of its operation, the project has maintained sound operation and achieved stable business development.
- (b) The Qingdao cold chain warehouse is principally engaged in the operation of cold logistics storage facilities in Chengyang District of Qingdao, China. The site area and storage capacity of Phase I of this project are approximately 15,352 sq.m. and 8,000 tons, respectively. Since the second half of 2021, cooperative operation of business has been carried out with Qingdao Yonghexun Logistics Storage and Transportation Co., Ltd. (青島永和迅物流儲運有限公司) for a term of ten years, with the occupancy rate of the cold storage as at 30 June 2023 reaching 100%.
- (c) Tianjin Beijing Inland Port Company Limited is a joint venture established and held by the Group and Tianjin Port Group as to 50% each. The planned gross floor area is approximately 55,000 sq.m. with total investment of approximately RMB680 million. The project commenced construction in May 2020, and was officially put into operation in July 2022. The construction standard is three cold storages each occupying an area of approximately 10,000 sq.m. with a capacity of 15,000 tons. As at 30 June 2023, the average occupancy rate reached 69.72%.

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

With the approval of Quzhou government authorities, Quzhou Tongcheng Agriculture Development Co., Ltd. ("Quzhou Tongcheng") has been approved to establish a modern agricultural wholesale market project, including an agricultural exchange zone, which may be utilised as the new location for the existing exchange centre in the city following its relocation, as well as ancillary commercial facilities. The existing trading centre was granted the status of first class wholesale centre for agricultural products, serving a population of approximately 30 million. The Quzhou agricultural shopping mall project will be constructed and developed in two phases. Phase I has a gross floor area of 41,282 sq.m. and was officially opened in August 2015. Phase II consists of three lots. Lots I and II have a gross floor area of 153,856 sq.m. and were officially opened in November 2017. Lot III is at the stage of sketch design refinement. As at 30 June 2023, the market had a leasable area of 162,223 sq.m., including a wholesale trading zone, a comprehensive market trading zone, a storage service zone and a public ancillary market facility zone, in which the average occupancy rates of the wholesale trading zone, the storage service zone and the public ancillary market facility zone were 83.78%, 77.98% and 80.34% respectively, and the operation team is making continuous efforts to conduct internal regional adjustment of the existing assets in order to improve the overall occupancy rate and the rent unit price, so that the project can achieve profitability as soon as possible.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the work requirements on the implementation of digital market by the Quzhou government authorities, Quzhou agricultural shopping mall project sped up the new retail upgrade and renovation of professional markets, so as to realize online transactions and mobile payment and other new retail mode. The digital smart agriculture wholesale system is planned to be put online for trial operation in the second half of 2023, and the system is currently under debugging, and the collection of unified settlement transaction commissions will be launched simultaneously after the debugging is completed. In order to effectively revitalize the assets, the operation team has broadened the ideas of investment by investing a small amount of funds to renovate the vacant Frozen Product Zone No.24 and No.25 into a comprehensive morning market zone which was put into operation on 20 April 2023. The occupancy rate of the morning market zone (No.24 and No.25) was 100% with the annual rental income of RMB3,848,300. In addition, after the commencement of operation of the morning market, the heavy traffic has boosted the development of the surrounding areas.

Online services and trading platforms are the main drivers of the Group's supply chain business development. Coldeal (凍品e港) (formerly known as Frozen Products Exchange (凍品交易港)) (www.cciinet.com), version 3.0 (for commercial use), version H5 and App version were gradually optimized and launched with successful integration of online registration, trading and payment. The implementation of the online platform safety management plan, full product life cycle management and full media channel operation management were completed. In November 2022, Beijing Infinity Data Technology Co., Ltd. (北京融界數據科技有限公司) ("Infinity Data") under the Group passed the accreditation and was approved as a high technology enterprise. As at 30 June 2023, Infinity Data had obtained a total of 35 software copyright registrations. At the same time, the total number of registered users of Coldeal (凍品e港) developed and operated by Infinity Data exceeded 165,804 and 1,529 enterprises-operated stores. An annual evaluation of security protection of system information has been inspected and filed in accordance with the requirements on an annual basis, and the security level of system information was upgraded to level 3 of security protection 2.0. So far, Coldeal serves more than 400 counties and cities in about 31 provinces across the country by integrating over 2,900 logistics companies, over 9,000 logistics routes and over 7,000 cold storage across the country. It also proactively expanded the ambassadorial channels and built up amicable relationships with meat, agriculture, husbandry and other industry organisations. Invited by the Embassy and the Ministry of Agriculture of Turkey, Coldeal paid a visit to Turkey in May 2023, during which it, under the arrangement of the Ministry of Agriculture of Turkey, held meetings with a number of first-hand aquatic product and meat suppliers based in Turkey and built good cooperation relationship. Meanwhile, we have commenced in-depth strategic cooperation with enterprises in all segments along the supply chain industry chain. Services will be provided to customers through cold storage partners at different locations. At the present stage, cooperation agreements have been reached with cold storage partners in, among other places, Dalian Bonded Logistics Park, Dalian Economic and Technological Development Zone, Fengxian District in Shanghai, Yangshan Free Trade Zone in Shanghai, Pudong New Area in Shanghai, Zhanjiang in Guangdong and Yantian District in Shenzhen, basically completing the establishment of storage network by connecting the coastal ports. Supported by the development of the international trade services business and an advanced Internet technology support system, an integrated service platform featuring the most comprehensive services and state-of-the-art technologies within the Chinese cold product industry will be established.

MANAGEMENT DISCUSSION AND ANALYSIS

(3) Industrial Properties

In response to the demand for relocation of high-end manufacturing industries in Shanghai, the Group commenced the industrial property business at the end of 2016 and formed several non-wholly owned subsidiaries (held by the Group as to 75%) with SSinolog (China) Holding I Pte. Ltd. from Singapore to develop high-end factories in Jiaxing in Zhejiang province. The Jiaxing, Zhejiang project was completed in May 2019.

The areas and occupancy rates of the industrial plants still held by the Group are as follows:

Project location	Notes	Planned and owned area (sq.m.)	Operating leaseable area (sq.m.)	Average occupancy rate for the six months ended 30 June	
				2023 (%)	2022 (%)
Jiaxing, Zhejiang ¹	(a)	90,113	90,113	88.94	83.83
Changzhou, Jiangsu	(b)	340,882	305,918	—*	—*
		430,995	396,031		

* Projects under construction

¹ The Group intends to dispose of this project, the details of which is set out in the Company's announcement dated 11 May 2023.

Notes:

- (a) The project has been actively engaged in investment promotion since its completion with occupancy rate of 87.65% as of June 2023. The project is in a location adjacent to Shanghai and has great accessibility. The local government provides strong support to the manufacturing industry with comprehensive industry support funds and policies in place. The concentration of European and U.S. high-end manufacturing enterprises has generated economies of scale. Standardised, high-end and customised plants have been constructed.
- (b) The Group also invested in an industrial park headquarters project located in Tianning Economic Development Zone in Changzhou, Jiangsu Province in January 2018. This project is planned to have a total land area of approximately 200 mu and a gross floor area of approximately 476,403 sq.m.. With a total investment of approximately RMB2,000 million, it will be developed in two phases. Construction of Phase I has been completed and accepted on 30 June 2022 and is actively being leased and sold, with 5,150.61 sq.m. of sale area completed, and the construction of Phase II is still under planning. A portion of the gross floor area will be sold to speed up cash recovery. The project will be the first Internet economic platform cluster in Tianning District, Changzhou and will facilitate collective innovation and sustainable development of Internet + businesses with the principle of "intelligence sharing + smart manufacturing + smart products" by integrating three core concepts, namely smart manufacturing, smart technology and smart design. It will also perform commercial, leisure and other urban functions so as to transform Jiangsu Sunan Zhicheng Technology Park ("Jiangsu Sunan Zhicheng") into an industrial park that combines industry, city, the Internet + smart technologies. Currently, Jiangsu Sunan Zhicheng has already signed up with Changzhou Videoworks Technology Co., Ltd. (常州網博視界科技股份有限公司) ("Changzhou Videoworks"), a high-tech enterprise in the Internet+ industry, to jointly develop the "future video production base of China". This project has been put on the list of key projects in Jiangsu Province in early 2020, and has been put on the list of provincial-level technology enterprise incubators in Jiangsu Province in 2022. Meanwhile, Jiangsu Sunan Zhicheng was granted the Major Investment Project Award by Tianning District, Changzhou.

MANAGEMENT DISCUSSION AND ANALYSIS

(4) Belt and Road Initiative

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

Currently, in terms of project planning, the Group has completed a detailed and controlled planning of the land under Phase I of the project. With the concept of “commercial parks + urban complex”, it plans to have its commercial parks dominated by light industries, supported by commercial circulation, and featuring technological research and development, education, and cultural tourism. Moreover, modern concepts such as “flexible use of land”, “sponge city” and “neighbourhood centres” will be introduced in the planning of the urban complex.

The Cambodian government is currently rolling out a number of policies to attract investments from foreign enterprises. Such policies aim at establishing a free and open economic system by offering equal treatment to foreign and domestic investors. In recent years, the Cambodian economy has been expanding rapidly, with an average age of less than 30 and the ageing population of less than 5% of the population, offering abundant manpower.

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

In addition, there was a state visit by Cambodian Prime Minister Mr. Samdech Techo Hun Sen conducts to China in 2023, upon which, both parties of China and Cambodia published a joint statement of building the China-Cambodia Community of Shared Destiny in the new era, stating that the two countries intend to construct a “Corridor of Fisheries and Grain (魚米走廊)” centered on the Tonle Sap Lake, so as to pursue the development of modern ecological agriculture, which aligns to the development of food supply chain business of the Group. To sum up, as the details of cooperation between China and Cambodia are subject to disclosure, the Group will actively keep up with the development of the project, further optimize our overall plans for the industry parks, and launch the first phase of construction thereof when appropriate.

In the long run, considering the stable and amicable long-term relation between China and Cambodia, the Group believes that such project will generate stable cash flows to support the business development of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(5) Commercial Properties

- (a) Guangzhou Guangming Real Estates Co., Ltd. (“Guangzhou Guangming”) owns 99% interest in Metro Mall, which is situated at the Beijing Road shopping district, Yuexiu District of Guangzhou City of China. The mall has a gross floor area of approximately 61,967 sq.m., and is a commercial complex providing dining, entertainment, shopping and cultural experience to young customers aged between 16 and 28. The occupancy rate of the owned area of the project was approximately 86.90% for the first half of 2023.

- (b) Beijing Stable Charmfull Business Management Ltd. (“Stable Charmfull”, formerly known as Holiday Inn Downtown Beijing Company Limited) is a wholly-owned subsidiary of the Group and is the original owner of a four-star business and leisure hotel in North Lishi Road (near Financial Street, Xicheng District), Beijing. The hotel signed a contract on 12 November 2019 with Beijing Shouhou Healthcare and Elderly Care Enterprise Management Limited (北京首厚康健養老企業管理有限公司) to entrust its operations. The hotel ceased operation and commenced renovations in the first quarter of 2020, and is expected to be put into operation in the fourth quarter of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PROSPECTS

In the past, the Group, as a professional property developer, focused on heavy asset investment with high input costs and long payback period, of which the huge expenditure on finance costs directly affected the profitability of the company. Since 2019, the Group has initiated two business transformations. Firstly, the Group has gradually withdrawn from the pan-property development field, and continues to promote the disposal of assets of mature projects to achieve the multiple objectives of capital recovery, profit realization and debt reduction. Secondly, we will further develop our supply chain business. As the most direct and important customer base of the food supply chain industry, the catering industry experienced rapid recovery in the first half of the year. The revenue of the catering industry in the PRC recorded an increase of 21.4% as compared with that for the same period last year and an increase of over 14% as compared with that for the first half of 2019, showing great growth potential. In addition, due to the robust restaurant performance and the low entry barrier of the industry, a great number of market players entered into the catering industry, demonstrating a promising prospect of the industry. The above-mentioned positive factors will also drive the development of the catering supply chain industry, and the Group will transform into a food supply chain service provider based on our existing cold storage resources and Internet platform. We are committed to empowering traditional industries with technological means, gradually participating in the food supply chain business, which is one of the necessities of people's livelihood, from the single cold chain warehousing business. By significantly increasing the proportion of service revenue, we achieve sustainable profit and ensure healthy capital flow, so as to address the past dilemma of long-term backlog of capital and inability to revitalize cash flow.

As the year 2023 marks the first year of our commitment to build a strong agricultural country, the government has promulgated a series of policies relating to the food supply chain business, under which the food supply chain will become the fourth essential infrastructure facility developed for the massive public by the government apart from water and electricity, gas supply and network. As food supply that focuses on meat products is one of the necessities for national economy and livelihood as well as urban infrastructure, it is expected to experience increasing market demands. Leveraging on the heavy-asset infrastructure facilities invested by the Group including room temperature storage, cold storage, wholesale market and Internet-based trading platform, the supply chain services aims to develop light-asset operation business. By focusing on high-value product category (i.e. frozen meat) and leveraging on its advantage of professional sourcing, the Group will make strenuous efforts to develop downstream head customers, building a persistently stable network of downstream customers of the supply chain to serve head food-preparation factories, chain restaurants, supermarket communities and e-commerce. Meanwhile, by leveraging on the synergetic resource advantage among each of the Group's business segments and empowering each other with other business segments, the Group has developed the "three-in-all" distinctive supply chain services integrating supply chain services + storage & logistics infrastructure and industrial park operation + data-driven mode covering full supply chain from the source to the downstream market. By introducing upstream and downstream customers through supply chain services and renovating the Group's existing infrastructure facilities such as cold storage and logistics parks, the Group provides customised storage and logistics services, so as to improve the utilisation rate of the facilities and reduce operation costs. Furthermore, the Group focuses on the key risk control points of every aspect along the industrial chain including storage, logistics and custom clearance, gradually improving its profitability and providing financial support to the customers, with an aim to attract more customers and businesses with the above-mentioned value services and form a three-pronged business growth model. Moreover, through the supply chain service operation business project dedicated for each city, the Group aims to conduct imported food cold chain cooperation based on free-trade zones, industrial parks and logistics parks, so as to promote the expansion and quality development of the supply chain along the national industrial chain. The Group is committed to establishing a light-asset S2B2C (source suppliers – business – customer) food supply chain platform with low risks and strong cashflow in the coming three to five years.

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit analysis

The revenue (net of value-added tax and government surcharges) for the 2023 Period amounted to approximately HK\$857.94 million, representing an increase of approximately HK\$444.90 million or 107.71%, from approximately HK\$413.04 million for the 2022 Period. The gross profit for 2023 Period amounted to approximately HK\$154.18 million, representing a decrease of approximately HK\$84.81 million, or 35.49% from approximately HK\$238.99 million for the 2022 Period.

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

Name of assets	2023		2022		Change	
	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %
High-end and modern general warehouses business						
Shanghai	31,731		28,514		3,217	
Tianjin	15,269		17,336		(2,067)	
Xiamen	13,315		15,316		(2,001)	
Meishan	5,011		5,147		(136)	
Hainan	6,606		6,202		404	
Jiangsu	–		32,752		(32,752)	
Tongliao	1,618		1,511		107	
	73,550	84.01	106,778	88.01	(33,228)	(4.00)
Cold chain logistics warehouses						
Tianjin	16,430		39,917		(23,487)	
Qingdao	1,381		1,656		(275)	
	17,811	49.07	41,573	45.79	(23,762)	3.28
Trading						
Beijing	664,105	1.35	133,330	3.92	530,775	(2.57)



MANAGEMENT DISCUSSION AND ANALYSIS

Name of assets	2023		2022		Change	
	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %	Revenue HK\$'000	GP Margin %
Specialised wholesale markets						
Quzhou Tongcheng	21,246	70.82	18,549	73.77	2,697	(2.95)
Industrial properties						
Jiangsu	26,388		60,111		(33,723)	
Zhejiang	13,473		13,509		(36)	
	39,861	52.08	73,620	94.24	(33,759)	(42.16)
Commercial properties						
Guangzhou	18,661		14,780		3,881	
Beijing	22,708		24,413		(1,705)	
	41,369	93.98	39,193	96.15	2,176	(2.17)
The Group	857,942	17.97	413,043	57.86	444,899	(39.89)

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the 2023 Period amounted to approximately HK\$73.55 million, representing a decrease of approximately HK\$33.23 million or 31.12% from approximately HK\$106.78 million for the 2022 Period. The decrease was primarily attributable to the disposal of Sin-Den project in Jiangsu in the second half of 2022.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the 2023 Period amounted to approximately HK\$17.81 million, representing a decrease of approximately HK\$23.76 million or 57.16% from approximately HK\$41.57 million for the 2022 Period. The decrease was primarily attributable to the cancellation of nucleic acid detection and disinfection operations which had a significant impact on revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Trading business

The revenue contribution of trading business for the 2023 Period amounted to approximately HK\$664.11 million, representing an increase of approximately HK\$530.78 million, or 398.09% from approximately HK\$133.33 million for the 2022 Period. The increase was primarily attributable to the supply chain development which provides integrated logistic services for high-value imported meat and aquatic products.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the 2023 Period amounted to approximately HK\$21.25 million, representing an increase of approximately HK\$2.70 million, or 14.56%, from approximately HK\$18.55 million for the 2022 Period. The increase was attributable to the increase in average occupancy rate for the 2023 Period.

Industrial properties

The revenue contribution of industrial properties for the 2023 Period amounted to approximately HK\$39.86 million, representing a decrease of approximately HK\$33.76 million or 45.86% from approximately HK\$73.62 million for the 2022 Period. The decrease was primarily attributable to the disposal of 3 projects in Jiangsu in the second half of 2022.

Commercial properties

The revenue contribution of commercial properties for the 2023 Period amounted to approximately HK\$41.37 million, representing an increase of approximately HK\$2.18 million or 5.56% from approximately HK\$39.19 million for the 2022 Period. The increase was primarily attributable to the slightly increase in average occupancy rate of Guangzhou project.

Changes in fair value of investment properties, net

During the 2023 Period, net fair value loss of investment properties was approximately HK\$19.24 million, the loss was attributable to the fair value change of property located in Zhejiang.

Other income and gains, net

During the 2023 Period, net other income and gains were approximately HK\$162.23 million, which represented a decrease of approximately HK\$26.92 million, or 14.23%, from approximately HK\$189.15 million for the 2022 Period. The decrease in net other income and gains was mainly due to the net effect of (i) the gain on disposal of subsidiaries for the 2022 period; and (ii) the increase in exchange gain due to the increase in bank and other loans denominated in RMB from overseas companies during the 2023 Period.

Selling and distribution expenses

During the 2023 Period, selling and distribution expenses were approximately HK\$8.91 million, which represented an increase of approximately HK\$5.90 million, or 196.01%, from approximately HK\$3.01 million for the 2022 Period. The increase in selling and distribution expenses was primarily related to the cost from trading business.

Administrative expenses

During the 2023 Period, administrative expenses were approximately HK\$78.75 million, which represented a decrease of approximately HK\$24.56 million, or 23.77%, from approximately HK\$103.31 million for the 2022 Period. The decrease in administrative expenses was primarily related to cost control for the 2023 Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

During the 2023 Period, other expenses were approximately HK\$1.35 million, which represented a decrease of approximately HK\$4.21 million, or 75.72%, from approximately HK\$5.56 million for the 2022 Period. The decrease in other expenses was mainly due to provision for compensation for Guangzhou project for the 2022 Period.

Finance costs

During the 2023 Period, finance costs were approximately HK\$283.07 million, representing a decrease of approximately HK\$10.21 million, or 3.48%, from approximately HK\$293.28 million for the 2022 Period. The finance costs included: (i) interest on bank and other loans of approximately HK\$225.74 million (2022 Period: approximately HK\$108.41 million); and (ii) interest on USD guaranteed bonds of approximately HK\$57.33 million (2022 Period: approximately HK\$184.87 million).

Share of losses of joint ventures

During the 2023 Period, the share of losses of joint ventures of approximately HK\$7.85 million was mainly contributed by Tianjin Beijing Inland Port Company Limited (“TBIPL”).

Share of losses of associates

During the 2023 Period, the share of losses of associates of approximately HK\$4.83 million was contributed by share the results of Beijing Health Holdings Limited, a listed company on The Stock Exchange of Hong Kong Limited and Beijing Enterprises City Investment Holdings Group Co., Ltd. (“BE City Investment”).

Income tax expense

Income tax expense for the 2023 Period included current income tax of HK\$7.62 million (2022 Period: HK\$47.53 million). Deferred tax expense for the 2023 Period was HK\$16.58 million (2022 Period: HK\$164.82 million) which arose from the change in the fair value of investment properties.

Investment properties

Investment properties decreased by approximately HK\$217.41 million, which was mainly due to the net effect of (i) the construction of warehouse of HK\$12.14 million; (ii) the decrease in fair value of HK\$19.24 million; and (iii) the exchange realignment of HK\$210.31 million.

Goodwill

Goodwill represented the acquisition in previous years for logistics warehouse business and commercial property business.

Interests in joint ventures

Interests in joint ventures decreased by approximately HK\$155.15 million, mainly due to the net effect of (i) share of losses of HK\$7.85 million during the 2023 Period; and (ii) the reallocation of HK\$137.59 million to assets of disposal group classified as held for sale during the 2023 Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Interests in associates

Interests in associates decreased by approximately HK\$21.29 million, mainly due to the net effect of (i) share of losses of HK\$4.83 million during the 2023 Period; (ii) share of translation reserve of HK\$6.35 million; and (iii) the exchange realignment of HK\$12.62 million.

Equity investments at fair value through other comprehensive income

Equity investments decreased by approximately HK\$8.44 million, mainly due to the decrease in fair value of CAQ Holdings Limited during the 2023 period.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represented the remaining 10% shareholding of Beijing Inland Port Company Limited.

Land held for development or sale

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

Properties under development for sale or held for sale

Properties under development for sale or held for sale represented properties located in Jiangsu for the industrial property business.

Cash and cash equivalents (including restricted cash)

Cash and cash equivalents decreased by HK\$10.52 million, mainly due to the net effect of (i) proceeds from disposal of subsidiaries of HK\$442.06 million; (ii) net drawdown of bank and other borrowings of HK\$5,509.84 million; (iii) repayment of guaranteed bonds of HK\$5,583.22 million; (iv) loan arrangement fee and interest paid of HK\$284.28 million; (v) funding granted by Beijing Enterprises City Development Limited (“BE City Development”, a fellow subsidiary of the Company) of HK\$270.08 million; (vi) dividend paid to non-controlling holders of HK\$94.43 million; (vii) net cash used in operating activities of HK\$218.91 million; (viii) exchange loss of HK\$39.19 million; and (ix) addition of investment properties of HK\$12.14 million.

Held for sale

Held for sale represented assets and liabilities of disposal groups from (i) 6 logistic groups; and (ii) a joint venture. The disposal groups are required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of State-controlled assets. As the transaction has not been completed, the assets and liabilities from the Disposal Group are classified into held for sale as at 30 June 2023. For more details, please refer to (i) the announcements of the Company dated 18 March 2022, and the circular of the Company dated 3 August 2022; and (ii) the announcements of the Company dated 22 February 2023 and 14 July 2023, and the circular of the Company dated 20 April 2023.

Due to other related parties

Due to other related parties increased by HK\$263.99 million (non-current portion decreased by HK\$2.80 million and current portion increased by HK\$266.79 million), mainly due to a loan from BE City Development of HK\$270.08 million.

Bank and other borrowings

Bank and other borrowings increased by HK\$5,246.52 million (non-current portion increased by HK\$3,417.08 million and current portion increased by HK\$1,829.44 million), mainly due to the net effect of (i) new bank and other borrowings of HK\$6,298.22 million; and (ii) settlement of bank and other borrowings of HK\$788.38 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Guaranteed bonds

Guaranteed bonds represented a 3 years' period bond issued in February 2020 which has a par value of USD600 million and additionally issued in August 2020 which has a par value of USD150 million. The Group fully repaid the outstanding amount during the 2023 Period.

Liquidity and financial resources

As at 30 June 2023, for accounting purposes, the Group had total borrowings of approximately HK\$8,552.73 million (31 December 2022: approximately HK\$8,881.78 million) which included bank and other borrowings. The Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 185.25% (31 December 2022: approximately 170.89%).

As at 30 June 2023, the Group's balance of bank and other borrowings amounted to approximately HK\$8,552.73 million, which was denominated in United States dollars ("USD"), Hong Kong dollars ("HK\$") and Renminbi ("RMB") as to 7.32%, 31.91% and 60.77%, respectively. 41.36% of these bank and other borrowings was repayable less than one year. As at 30 June 2023, the Group's cash and bank balances amounted to approximately HK\$728.82 million, which were denominated in USD, HK\$ and RMB as to 3.66%, 2.41% and 93.93%, respectively. Bank and other borrowings of an aggregate amount of HK\$4,865.19 million bear interest at floating rates. The cash and bank balances, together with the unutilized banking facilities, are sufficient to finance the Group's businesses at the moment.

As at 30 June 2023, the Group's current ratio and quick ratio were approximately 116.94% and 77.70%, respectively (31 December 2022: approximately 76.79% and 52.39%, respectively).

The net total borrowings of the Group as at 30 June 2023 (total borrowings less cash and cash equivalents and restricted cash) was HK\$7,823.91 million (31 December 2022: HK\$8,142.44 million), representing a decrease of HK\$318.53 million as compared to the previous year.

Contingent liabilities

As at 30 June 2023, the Group had no contingent liabilities (31 December 2022: Nil).

Capital expenditures

During the 2023 Period, the Group spent approximately HK\$13.84 million (2022 Period: approximately HK\$22.61 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 30 June 2023, the Group had outstanding contracted capital commitments amounted to approximately HK\$577.20 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB425.69 million (equivalent to approximately HK\$459.87 million) committed for logistic facilities and industrial plants.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$113.43 million) payable for BE City Investment.
- the outstanding capital injection of approximately USD500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

MANAGEMENT DISCUSSION AND ANALYSIS

Treasury policies

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

Foreign exchange exposure

The Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in USD. Meanwhile, fluctuations of exchanges rates would impact our net assets value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Group would record a(n) increase/decrease in our net assets value, as part of the Group's borrowings and cash balances are denominated in HK\$ and USD. During the 2023 Period, the Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on our Group.

Charges on assets

As at 30 June 2023, the Group had bank loans with principal amounts of approximately HK\$2,416.84 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Group and all of which were guaranteed by the Company.

Litigations

As at 30 June 2023, the Group had no pending litigation.

INTERIM DIVIDEND

The Board has resolved not to recommended the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had a total of 487 (30 June 2022: 523) employees. Total staff cost incurred during the 2023 Period amounted to approximately HK\$54.51 million (2022 period: HK\$51.81 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

APPRECIATION

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

By Order of the Board
Beijing Properties (Holdings) Limited
Zhu Yingying
Chairman

Hong Kong, 31 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
REVENUE	4	857,942	413,043
Cost of sales and services		(703,767)	(174,056)
Gross profit		154,175	238,987
Change in fair value of investment properties, net		(19,239)	362,812
Other income and gains, net	4	162,227	189,152
Selling and distribution expenses		(8,911)	(3,014)
Administrative expenses		(78,745)	(103,307)
Other expenses, net		(1,349)	(5,559)
Finance costs	5	(283,066)	(293,278)
Share of profits and losses of:			
Joint ventures		(7,849)	(4,339)
Associates		(4,827)	(2,666)
PROFIT/(LOSS) BEFORE TAX	6	(87,584)	378,788
Income tax	7	(24,204)	(212,352)
PROFIT/(LOSS) FOR THE PERIOD		(111,788)	166,436
Attributable to:			
Shareholders of the Company		(82,685)	20,232
Non-controlling interests		(29,103)	146,204
		(111,788)	166,436
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	9	HK(1.19) cents	HK0.29 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	(111,788)	166,436
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	(318,614)	(381,983)
– Share of other comprehensive loss of:		
Joint ventures	(3,587)	(63,298)
Associates	(6,353)	(10,182)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(328,554)	(455,463)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
– Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax of nil	(8,021)	(5,894)
– Share of other comprehensive income/(loss) of associates	2,668	(801)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(5,353)	(6,695)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX OF NIL	(333,907)	(462,158)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(445,695)	(295,722)
Attributable to:		
Shareholders of the Company	(391,195)	(401,695)
Non-controlling interests	(54,500)	105,973
	(445,695)	(295,722)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		466,187	493,753
Investment properties	10	4,411,648	4,629,056
Right-of-use assets		64,634	68,257
Goodwill		102,441	102,441
Interests in joint ventures		76,643	231,790
Interests in associates		562,613	583,906
Equity investments at fair value through other comprehensive income		12,723	21,167
Land held for development or sale		4,155,301	4,157,051
Total non-current assets		9,852,190	10,287,421
CURRENT ASSETS			
Properties under development for sale		20,979	21,979
Properties held for sale		1,886,312	1,922,448
Inventories		458,722	424,336
Trade receivables	11	115,934	112,145
Prepayments, other receivables and other assets		241,216	620,566
Due from joint ventures		5,554	5,633
Financial assets at fair value through profit or loss		194,454	203,724
Pledged and restricted bank deposits		6,490	6,606
Cash and cash equivalents		722,325	732,730
Assets of disposal groups classified as held for sale		3,651,986	4,050,167
		3,399,875	3,405,550
Total current assets		7,051,861	7,455,717

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade payables	12	186,700	240,884
Other payables and accruals		586,803	674,033
Due to other related parties		531,551	264,762
Bank and other borrowings		3,537,360	1,707,918
Guaranteed bonds		–	5,575,570
Income tax payables		103,066	117,589
Provision for compensation		219,081	229,842
		5,164,561	8,810,598
Liabilities directly associated with the assets of disposal groups classified as held for sale		865,775	899,135
Total current liabilities		6,030,336	9,709,733
NET CURRENT ASSETS/(LIABILITIES)			
		1,021,525	(2,254,016)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		10,873,715	8,033,405
NON-CURRENT LIABILITIES			
Due to a joint venture		191,007	200,113
Due to other related parties		58,636	61,431
Bank and other borrowings		5,015,369	1,598,289
Deferred revenue		74,677	80,086
Defined benefit obligations		12,487	13,082
Deferred tax liabilities		1,296,961	1,315,540
Total non-current liabilities		6,649,137	3,268,541
Net assets		4,224,578	4,764,864
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	13	696,933	696,933
Reserves		1,563,887	1,955,245
		2,260,820	2,652,178
Non-controlling interests			
		1,963,758	2,112,686
Total equity		4,224,578	4,764,864

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to shareholders of the Company													
	Issued capital	Share premium account	Contributed surplus	Share option reserve	Property revaluation reserve	Capital and other reserves	Financial	Defined benefit plan reserve	Exchange fluctuation reserve	PRC statutory reserves	Retained profits	Total	Non-controlling interests	Total equity
							asset revaluation reserve							
							(Unaudited)							
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2023	696,933	1,762,147	367,278	40,304	(9,743)	(241,720)	(124,575)	(8,030)	(531,151)	16,636	684,099	2,652,178	2,112,686	4,764,864
Loss for the period	-	-	-	-	-	-	-	-	-	-	(82,685)	(82,685)	(29,103)	(111,788)
Other comprehensive income(loss) for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(293,217)	-	-	(293,217)	(25,397)	(318,614)
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(8,021)	-	-	-	-	(8,021)	-	(8,021)
- Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	-	(3,587)	-	-	(3,587)	-	(3,587)
- Share of other comprehensive loss of associates	-	-	-	-	-	-	2,668	-	(6,353)	-	-	(3,685)	-	(3,685)
Total comprehensive loss for the period	-	-	-	-	-	-	(5,353)	-	(303,157)	-	(82,685)	(391,195)	(54,500)	(445,695)
Transfer to reserve	-	-	-	-	-	-	-	-	-	706	(706)	-	-	-
Transfer of share option reserve upon expiry of share options	-	-	-	(11,007)	-	-	-	-	-	-	11,007	-	-	-
Dividend paid to non-controlling equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(94,428)	(94,428)
Share of reserve of an associate	-	-	-	-	-	(163)	-	-	-	-	-	(163)	-	(163)
At 30 June 2023	696,933	1,762,147*	367,278*	29,297*	(9,743)*	(241,883)*	(129,928)*	(8,030)*	(834,308)*	17,342*	611,715*	2,260,820	1,963,758	4,224,578
At 1 January 2022	696,933	1,762,147	367,278	57,399	(9,743)	(37,322)	(122,047)	(8,007)	100,927	26,520	575,014	3,409,099	2,242,588	5,651,687
Profit for the period	-	-	-	-	-	-	-	-	-	-	20,232	20,232	146,204	166,436
Other comprehensive income(loss) for the period:														
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(341,752)	-	-	(341,752)	(40,231)	(381,983)
- Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax effect of nil	-	-	-	-	-	-	(5,894)	-	-	-	-	(5,894)	-	(5,894)
- Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	-	(63,298)	-	-	(63,298)	-	(63,298)
- Share of other comprehensive loss of associates	-	-	-	-	-	(475)	(326)	-	(10,182)	-	-	(10,983)	-	(10,983)
Total comprehensive income(loss) for the period	-	-	-	-	-	(475)	(6,220)	-	(415,232)	-	20,232	(401,695)	105,973	(295,722)
Transfer to reserve	-	-	-	-	-	30,594	-	-	-	2,057	(32,651)	-	-	-
Transfer of share option reserve upon expiry of share options	-	-	-	(17,095)	-	-	-	-	-	-	17,095	-	-	-
Disposal of subsidiaries	-	-	-	-	-	(164,854)	-	-	(765)	-	164,854	(765)	-	(765)
At 30 June 2022	696,933	1,762,147	367,278	40,304	(9,743)	(172,057)	(128,267)	(8,007)	(315,070)	28,577	744,544	3,006,639	2,348,561	5,355,200

* These reserve accounts comprise the consolidated reserves of HK\$1,563,887,000 (Unaudited) (31 December 2022: HK\$1,955,245,000) in the condensed consolidated statement of financial position as at 30 June 2023.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows used in operating activities	(218,913)	(339,682)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(1,620)	(509)
Payment on additions of investment properties	(12,220)	(45,337)
Investment in an equity investment	–	(121)
Disposal of subsidiaries (note 14)	–	1,616,530
Disposal of subsidiaries in prior year	442,064	–
Repayment of loans advanced to a joint venture	–	30,210
Interest received	5,434	6,960
Decrease in time deposits with maturity of more than three months when acquired	–	8,943
Net cash flows from investing activities	433,658	1,616,676
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans	6,298,220	395,238
Repayment of loans	(788,382)	(1,324,272)
Repayment of guaranteed bonds	(5,583,224)	–
Advances from/(repayment to) other related parties, net	270,143	(439,950)
Loan arrangement fees	(30,693)	–
Interest paid	(253,586)	(269,602)
Dividends paid to non-controlling equity holders	(94,428)	–
Net cash flows used in financing activities	(181,950)	(1,638,586)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	32,795	(361,592)
Cash and cash equivalents at beginning of period	824,309	1,266,772
Effect of foreign exchange rate changes, net	(39,191)	(31,867)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	817,913	873,313
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	722,325	772,230
Add: Restricted cash and pledged deposits in connection with bank borrowings	6,490	3,974
Add: Cash and cash equivalents attributable to disposal groups held for sale	89,098	98,514
Less: Time deposits with original maturity of more than three months when acquired, pledged as security for bank borrowings	–	(1,405)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	817,913	873,313

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim condensed consolidated financial information does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2022 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which became effective for the first time for the current period's financial statements, as further detailed in note 2 below.

In preparing the interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity requirements, operating performance and available sources of financing of the Group in light of the fact that although the Group had net current assets of HK\$1.0 billion, which included the net assets of disposal groups classified as held for sale of HK\$2.5 billion, the Group's current portion of bank and other borrowings amounted to HK\$3.5 billion which are due to be settled within one year from the end of the reporting period.

In the opinion of directors of the Company, whether the Group will be able to generate adequate cash flows to continue as a going concern would depend on (i) the completion of new debts financing and (ii) the successful disposal of the Group's properties; or falling which, the success in (iii) obtaining the continual financial support and funding from the Company's holding companies or fellow subsidiaries.

Should the new debts financing not be completed or the disposal of the Group's properties be delayed and continual financial support from the Company's holding companies or fellow subsidiaries not be obtained, the Group may be unable to continue as a going concern, in which case adjustments would have to be made to adjust the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

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

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

2. CHANGES IN ACCOUNTING POLICIES (Continued)

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

- (a) Amendments to HKAS 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 HKFRS 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 HKAS 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 HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 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. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The amendments did not have any significant impact on the Group's interim condensed consolidated financial information.

- (d) Amendments to HKAS 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION

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

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

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

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

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	For the six months ended											
	30 June 2023 (Unaudited) HK\$'000	30 June 2022 (Unaudited) HK\$'000										
Segment revenue:												
Sales to external customers	41,369	39,193	112,607	166,900	39,861	73,620	664,105	133,330	-	-	857,942	413,043
Segment results:												
The Group	20,685	20,539	55,882	246,471	8,444	263,238	(2,559)	(3,562)	(1,753)	(506)	80,699	526,180
Share of profits/(losses) of:												
Joint ventures	-	-	(7,849)	(4,339)	-	-	-	-	-	-	(7,849)	(4,339)
Associates	(4,770)	(6,296)	-	-	-	-	-	-	(57)	3,630	(4,827)	(2,666)
	15,915	14,243	48,033	242,132	8,444	263,238	(2,559)	(3,562)	(1,810)	3,124	68,023	519,175
Reconciliation:												
Gain on disposal of subsidiaries (note 14)											-	140,779
Bank interest income											5,338	6,960
Other interest income											61	335
Foreign exchange differences, net											131,133	26,307
Corporate and other unallocated income and expenses, net											(9,073)	(21,490)
Finance costs											(283,066)	(293,278)
Profit/(loss) before tax											(87,584)	378,788

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION (Continued)

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		
Segment assets	2,703,012	2,816,132	6,060,367	6,338,429	2,256,438	2,751,134	652,355	570,900	4,383,613	4,393,819	16,055,785	16,870,414
Reconciliation:												
Corporate and other unallocated assets											848,266	872,724
Total assets											16,904,051	17,743,138
Segment liabilities	389,140	403,668	1,033,168	1,081,356	266,327	335,001	231,238	168,857	10	10	1,919,883	1,988,792
Reconciliation:												
Corporate and other unallocated liabilities											10,759,590	10,989,482
Total liabilities											12,679,473	12,978,274

Geographical information

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

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Mainland China	5,719,158	6,145,945
Cambodia	4,120,309	4,120,309
	9,839,467	10,266,254

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

During the six months ended 30 June 2023 and the six months ended 30 June 2022, the Group had no single external customer which contributed over 10% of the Group's total revenue for each of these periods.

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<i>Revenue from contracts with customers</i>	716,956	204,517
Revenue from other sources		
Gross rental income from investment property operating leases		
– Other lease payments, including fixed payments	140,986	208,526
	857,942	413,043
Other income		
Bank interest income	5,338	6,960
Other interest income	61	335
Government grants	3,155	5,177
Others	22,540	9,594
	31,094	22,066
Gains, net		
Gain on disposal of subsidiaries (note 14)	–	140,779
Foreign exchange differences, net	131,133	26,307
Other income and gains, net	162,227	189,152

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

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

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2023

Segments	Property	Logistics	Industrial	Trading	Primary land	Total
	business	business	business	business	development	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Types of goods or services						
Logistics and other ancillary services	–	18,164	–	–	–	18,164
Property management fee	1,201	6,258	8,539	–	–	15,998
Sales of properties	–	–	18,689	–	–	18,689
Sale of frozen products	–	–	–	664,105	–	664,105
Total revenue from contracts with customers	1,201	24,422	27,228	664,105	–	716,956
Geographical markets						
Mainland China	1,201	24,422	27,228	664,105	–	716,956
Total revenue from contracts with customers	1,201	24,422	27,228	664,105	–	716,956
Timing of revenue recognition						
Goods transferred at a point in time	–	–	18,689	664,105	–	682,794
Services transferred over time	1,201	24,422	8,539	–	–	34,162
Total revenue from contracts with customers	1,201	24,422	27,228	664,105	–	716,956

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

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

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

For the six months ended 30 June 2022

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

5. FINANCE COSTS

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

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest on bank loans	214,365	76,003
Interest on loans from related parties	11,370	32,403
Interest on guaranteed bonds	57,331	184,872
	283,066	293,278

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Direct cost of rental income	16,707	15,728
Cost of services provided	18,506	30,228
Cost of sale of properties	13,411	–
Cost of goods sold	655,143	128,100



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

7. INCOME TAX

No provision for Hong Kong profits tax and Cambodia corporate income tax has been made as the Group did not generate any assessable profits arising in Hong Kong and Cambodia during periods for the six months ended 30 June 2023 and 2022.

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

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Mainland China:		
Current	7,626	47,531
Deferred	16,578	164,821
	24,204	212,352

8. INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

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

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to shareholders of the Company and the weighted average number of 6,969,331,680 (six months ended 30 June 2022: 6,969,331,680) ordinary shares in issue during the period. In addition, the share options outstanding during the period did not have a diluting effect on the earnings per share amount presented, accordingly, there was no adjustment made in calculation of the diluted earnings per share amount.

In respect of the diluted loss per share amount for the six months ended 30 June 2023 and 2022, no adjustment has been made to the basic loss per share amount presented as the impact of the share options outstanding during this period had an anti-dilutive effect on the basic loss per share amount presented.

10. INVESTMENT PROPERTIES

Except for an investment property located in Jiaxing with a fair value of HK\$397,550,000 using the market approach in a valuation report performed by an independent valuer on 30 June 2023, the fair value of the remaining properties of the Group as at 30 June 2023 was arrived at the quoted open market value by reference to the fair value of these investment properties as at 31 December 2022 because the directors of the Company do not consider there was any material change in the fair value of these investment properties during the six months ended 30 June 2023.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

11. TRADE RECEIVABLES

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

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Billed:		
Within one month	8,688	3,924
One to three months	2,270	3,637
Over three months	8,591	484
Unbilled:	19,549	8,045
	96,385	104,100
	115,934	112,145

The Company applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs have also incorporated forward looking information. The ECLs allowances for trade receivables as at 30 June 2023 and 31 December 2022 were considered as insignificant, except for a loss allowance of HK\$5,979,000 (31 December 2022: HK\$5,979,000) which was made in respect of rental income receivable.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

12. TRADE PAYABLES

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

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Billed:		
Within one month	468	1,689
One to three months	801	10
Over three months	1,870	6,339
Unbilled:	3,139	8,038
	183,561	232,846
	186,700	240,884

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

13. SHARE CAPITAL

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	1,000,000	1,000,000
Issued and fully paid:		
6,969,331,680 (31 December 2022: 6,969,331,680) ordinary shares of HK\$0.10 each	696,933	696,933

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

14. DISPOSAL OF SUBSIDIARIES

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

14. DISPOSAL OF SUBSIDIARIES (Continued)

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

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

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

15. CAPITAL COMMITMENTS

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

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Contracted, but not provided for:		
Capital injection into an associate	113,432	118,839
Capital contribution into a joint venture	3,900	3,900
Construction of logistics facilities	459,871	653,890
Total capital commitments	577,203	776,629

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

16. RELATED PARTY DISCLOSURES

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

	Notes	For the six months ended 30 June	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest income, net of withholding tax received or receivable			
from a joint venture	(i)	–	335
Interest income from a fellow subsidiary	(ii)	403	943
Interest expense to fellow subsidiaries	(iii)	10,910	31,790

Notes:

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

The term of the Deposit Agreement shall commence on the date of the Deposit Agreement and continue up to and including 31 December 2022. The daily aggregate of deposits placed by the Group with BG Finance (including any interest accrued thereon) during the term of the Deposit Agreement will not exceed HK\$400,000,000. Further details of the Deposit Agreement are set out in the Company's announcements dated 29 October 2019 and 9 December 2022.

The deposits placed by the Group with BG Finance as at 30 June 2023 amounted to HK\$370,683,000 (31 December 2022: HK\$370,089,000), of which HK\$14,786,000 (31 December 2022: HK\$24,063,000) is included in assets of disposal groups classified as held for sale.

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

16. RELATED PARTY DISCLOSURES (Continued)

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

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

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Short term employee benefits	8,147	8,993
Pension scheme contributions	1,196	1,221
	9,343	10,214

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

	Carrying amount		Fair value	
	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Non-current financial liabilities:				
Due to a joint venture	191,007	200,113	170,084	178,192
Due to other related parties	58,636	61,431	46,494	54,702
Bank and other borrowings	5,015,369	1,598,289	5,436,479	1,438,184
	5,265,012	1,859,833	5,653,057	1,671,078

18. EVENTS AFTER THE REPORTING PERIOD

The Group has the following significant events after the reporting period:

- On 14 July 2023, the Group entered into Asset Transaction Agreement and the ancillary agreements (together the "Agreements") with COSCO Shipping Logistics Development Co., Ltd. in respect of the Group's disposal of 50% equity interest in Tianjin Beijing Inland Port Co., Ltd. at a final consideration of RMB146 million. For details, please refer to the announcement of the Company dated 14 July 2023.
- On 19 July 2023, the Company entered into certain loan documents with a bank in relation to loan facilities of total amounts of HK\$800 million for a period of six months with the benefit of a keepwell and liquidity support deed issued by BE Group.
- On 2 August 2023, the Group entered into Sale and Purchase Agreement and ancillary agreements with JD Oriental Development III Limited in relation to disposal of 10% of the issued share capital in each of New Concord Properties Limited and New Fine International Development Limited at a final consideration of RMB183 million. For details, please refer to the announcement of the Company dated 2 August 2023.
- On 28 August 2023, the Board announced to either dispose of 100% of equity interest in Fortune Land Industrial Development (Jiaxing) Pte Ltd. or 75% of issued share capital of SSinolog (Jiaxing) I Pte Ltd. through public tender to be conducted on China Beijing Equity Exchange. Further details are set out in the Company's announcement dated 28 August 2023.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 31 August 2023.



DISCLOSEABLE INFORMATION

DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACTS OF SIGNIFICANT

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

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

As at 30 June 2023, the interests and short positions of the directors and the chief executive of the Company in the shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the ordinary shares of the Company

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

(Note 1)

Notes:

- 42,491,800 ordinary shares of HK\$0.10 each in the share capital of the Company ("Shares") as at 30 June 2023 are held by Jade Investment Limited which is beneficially owned by Mr. Ng Kin Nam and the spouse of Mr. Ng Kin Nam.
- The percentage represented the number of Shares over the total issued Shares of the Company as at 30 June 2023 of 6,969,331,680 Shares.

DISCLOSEABLE INFORMATION

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

Long position in underlying shares of the Company

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

Save as disclosed above, as at 30 June 2023, none of the directors or chief executives had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or the SFO.

SHARE OPTION SCHEME

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

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

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

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

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

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

DISCLOSEABLE INFORMATION

SHARE OPTION SCHEME (Continued)

The following table discloses movements in the Company's share options outstanding during the six months ended 30 June 2023:

Name or category of participant	Number of share options					At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2023	Granted during the period (Note 2)	Exercised during the period (Note 2)	Lapsed during the period	Cancelled during the period				
Directors:									
Mr. Siu Kin Wai	6,000,000	-	-	(6,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	5,000,000	-	-	-	-	5,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	3,000,000	-	-	-	-	3,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	4,000,000	-	-	-	-	4,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	18,000,000	-	-	(6,000,000)	-	12,000,000			
Mr. Cheng Ching Fu	2,000,000	-	-	(2,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	2,500,000	-	-	-	-	2,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	2,000,000	-	-	-	-	2,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	7,500,000	-	-	(2,000,000)	-	5,500,000			
Mr. Yu Luning	4,000,000	-	-	(4,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	4,000,000	-	-	-	-	4,000,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	3,000,000	-	-	-	-	3,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	12,000,000	-	-	(4,000,000)	-	8,000,000			
Mr. Goh Gen Cheung	2,000,000	-	-	(2,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	4,500,000	-	-	(2,000,000)	-	2,500,000			
Mr. Zhu Wuxiang	2,000,000	-	-	(2,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	4,500,000	-	-	(2,000,000)	-	2,500,000			

DISCLOSEABLE INFORMATION

SHARE OPTION SCHEME (Continued)

Name or category of participant	Number of share options					At 30 June 2023	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share (Note 1)
	At 1 January 2023	Granted during the period (Note 2)	Exercised during the period (Note 2)	Lapsed during the period	Cancelled during the period				
Mr. James Chan	2,000,000	-	-	(2,000,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	1,500,000	-	-	-	-	1,500,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	4,500,000	-	-	(2,000,000)	-	2,500,000			
Mr. Song Lishui	1,000,000	-	-	-	-	1,000,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
Other employees and consultants in aggregate:	18,400,000	-	-	(18,400,000)	-	-	24-May-13	24-May-13 to 23-May-23	0.574
	26,200,000	-	-	-	-	26,200,000	31-Mar-14	31-Mar-14 to 30-Mar-24	0.940
	5,100,000	-	-	-	-	5,100,000	28-Aug-14	28-Aug-14 to 27-Aug-24	0.750
	14,500,000	-	-	-	-	14,500,000	8-Apr-15	8-Apr-15 to 7-Apr-25	0.720
	64,200,000	-	-	(18,400,000)	-	45,800,000			
	116,200,000	-	-	(36,400,000)	-	79,800,000			

Notes:

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs "Directors' and Chief Executives' interests in shares and underlying shares" and "Share option scheme", at no time during the six months ended 30 June 2023 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children under the age of 18, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSEABLE INFORMATION

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

As at 30 June 2023, so far as was known to the directors or chief executive of the following persons (not being Directors or chief executive of the Company) had, an interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares and underlying shares of the Company

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

Notes:

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

Save as disclosed above, as at 30 June 2023, no person whose interests had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DISCLOSEABLE INFORMATION

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

Changes in information of directors since the date of the Annual Report 2022 of the Company up to the date of this report, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Mr. Qian Xu has resigned as the chairman, an executive director, the authorized representative and the member of nomination committee of the Company with effect from 21 July 2023.

Mr. Zhao Jiansuo has resigned as an executive director of the Company with effect from 21 July 2023.

Mr. Zhu Yingying has been appointed as the chairman and an executive director of the Company with effect from 21 July 2023.

Mr. Xu Zhigang has been appointed as an executive director and the member of sustainability committee of the Company with effect from 21 July 2023.

Mr. Cheng Ching Fu has been appointed as the authorized representative of the Company with effect from 21 July 2023.

Mr. Siu Kin Wai has been appointed as an independent non-executive director of Golden Century International Holdings Group Limited (SEHK Stock Code: 91) with effect from 22 March 2023.

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

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

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

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

Date of the Agreement(s)	Nature of the Agreement(s)	Aggregate amount	Final Maturity	Specific performance obligations
21 February 2019	Revolving loan facility with a bank	HK\$350 million	–	Note 1
23 September 2019	Revolving loan facility with a bank	HK\$180 million	–	Note 1
14 October 2020	Term loan facility with a bank	USD29.2 million and RMB78.75 million	October 2023	Note 1
24 June 2022	Term loan facility with a bank	HK\$125.51 million and USD4.47 million	June 2025	Note 1
8 February 2023	Term loan facility with a bank	RMB2,060 million	February 2026	Note 1
9 February 2023	Term loan facility with a bank	HK\$600 million	February 2025	Note 1
14 February 2023	Revolving loan facility with a bank	USD50 million	February 2024	Note 1
15 February 2023	Term loan facility with a bank	RMB800 million	February 2026	Note 1
19 July 2023	Term loan facility with a bank	HK\$800 million	January 2024	Note 1

DISCLOSEABLE INFORMATION

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER (Continued)

Note:

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE REPORT

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

In the opinion of the directors of the Company, the Company has complied with the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2023, except as disclosed herein below.

Under code provision C.1.6, independent non-executive directors and non-executive directors should attend general meetings to develop a balanced understanding of the views of shareholders. During the six months ended 30 June 2023, not all independent non-executive directors attended general meetings of the Company due to other business engagements, which deviates from code provision C.1.6. Nevertheless, the Company considers that the independent non-executive Directors and the board committees were able to develop a balanced understanding of the views of shareholders on the grounds that (i) most of the independent non-executive Directors attended over half of the general meetings during the six months ended 30 June 2023; and (ii) Mr. Goh Gen Cheung, being the chairman of the Audit Committee and Remuneration Committee, and Mr. James Chan, being the chairman of the Nomination Committee, attended all general meetings during the six months ended 30 June 2023.

Under code provision F.2.2, the chairman of the board should attend the Annual General Meeting and invite the chairmen of the audit, remuneration, nomination, and any other committees (as appropriate) to attend. However, the chairman of the Board was unable to attend the annual general meeting held on 15 June 2023 (the “2023 AGM”) due to his other business commitments. Our chairman appointed Mr. Siu Kin Wai, the executive Director of the Company, to chair the meeting on his behalf and the chairmen of the Audit, Remuneration, and Nomination Committees also attended the 2023 AGM.

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

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SHARE DEALING

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of securities transactions of the directors. Having made specific enquiry of all directors, the Company has confirmed that all directors have complied with the required standards set out in the Model Code and its code of conduct regarding director’s securities transaction during the six months ended 30 June 2023.

AUDIT COMMITTEE

The audit committee of the Company was established in accordance with the requirements of the CG Code as set out in Appendix 14 to the Listing Rules. It comprises five independent non-executive directors of the Company to review on matters regarding internal controls, risk management and financial reporting of the Group, including review of the unaudited results for the six months ended 30 June 2023 and considers that appropriate accounting policies have been adopted in the preparation of relevant results and sufficient disclosures have been made.

During the six months ended 30 June 2023, the audit committee members are all independent non-executive directors. Members of the audit committee are Mr. Goh Gen Cheung (Chairman), Mr. Zhu Wuxiang, Mr. James Chan, Mr. Song Lishui and Mr. Xie Ming.