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## **GREENLAND HONG KONG HOLDINGS LIMITED**

### **綠地香港控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 337)**

### **2024 INTERIM RESULTS ANNOUNCEMENT**

The board of directors of Greenland Hong Kong Holdings Limited (the “**Company**” or “**Greenland HK**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**1H2024**”) together with the comparative figures for the six months ended 30 June 2023 (the “**1H2023**”) as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2024*

	<i>NOTES</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	3A	<b>6,330,593</b>	8,232,782
Cost of sales		<b>(5,472,821)</b>	(6,649,180)
Gross profit		<b>857,772</b>	1,583,602
Other income		<b>35,090</b>	11,059
Other gains and losses		<b>(12,765)</b>	(80,383)
Selling and marketing expenses		<b>(184,362)</b>	(296,105)
Administrative expenses		<b>(173,088)</b>	(206,763)
Other operating expenses		<b>(37,411)</b>	(112,690)
Impairment losses under expected credit loss model, net of reversal		<b>20,164</b>	6,981
Loss on the change in fair value of investment properties		<b>(591,750)</b>	(389,148)
Gain on disposal of interests in subsidiaries		<b>–</b>	4,180
Loss on disposal of interest in an associate		<b>(195)</b>	–
Finance income		<b>7,391</b>	13,997
Finance costs	4	<b>(123,655)</b>	(71,321)
Share of results of associates		<b>(2,991)</b>	(5,219)
Share of results of joint ventures		<b>5,953</b>	(3,457)
(Loss) profit before tax		<b>(199,847)</b>	454,733
Income tax expense	5	<b>(300,519)</b>	(421,235)
<b>(Loss) profit for the period</b>		<b>(500,366)</b>	33,498

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2024 – CONTINUED*

	<i>NOTE</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		<b>(unaudited)</b>	(unaudited)
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>(2,518)</u>	<u>1,270</u>
Other comprehensive (expense) income for the period, net of income tax		<u>(1,888)</u>	<u>953</u>
Total comprehensive (expense) income for the period		<u><b>(502,254)</b></u>	<u><b>34,451</b></u>
(Loss) profit for the period attributable to:			
Owners of the Company		(482,803)	81,910
Non-controlling interests		(61,094)	(90,860)
Owners of perpetual securities		<u>43,531</u>	<u>42,448</u>
		<u><b>(500,366)</b></u>	<u><b>33,498</b></u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(484,691)	82,863
Non-controlling interests		(61,094)	(90,860)
Owners of perpetual securities		<u>43,531</u>	<u>42,448</u>
		<u><b>(502,254)</b></u>	<u><b>34,451</b></u>
<b>(Loss) earnings per share:</b>			
		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
		<i>RMB</i>	<i>RMB</i>
Basic	7	<u><b>(0.17)</b></u>	<u><b>0.03</b></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2024**

	<i>NOTES</i>	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Investment properties	8	<b>8,962,250</b>	9,554,000
Property, plant and equipment		<b>2,441,497</b>	2,170,283
Intangible assets		<b>1,003</b>	1,026
Right-of-use assets		<b>218,525</b>	226,673
Equity instruments at FVTOCI		<b>462,925</b>	465,443
Interests in associates		<b>1,749,214</b>	1,753,932
Interests in joint ventures		<b>3,563,580</b>	3,557,627
Deferred tax assets		<b>1,870,313</b>	1,886,578
<b>Total non-current assets</b>		<b>19,269,307</b>	19,615,562
<b>CURRENT ASSETS</b>			
Properties under development		<b>60,179,274</b>	63,188,264
Completed properties held for sale		<b>20,175,825</b>	17,788,248
Trade and other receivables, deposits and prepayments	9	<b>20,212,862</b>	22,400,328
Prepaid taxation		<b>1,783,275</b>	1,881,451
Contract assets		<b>276,083</b>	276,083
Contract costs		<b>250,719</b>	246,983
Restricted bank deposits		<b>905,461</b>	1,121,610
Bank balances and cash		<b>977,233</b>	1,717,941
<b>Total current assets</b>		<b>104,760,732</b>	108,620,908
<b>Total assets</b>		<b>124,030,039</b>	128,236,470
<b>EQUITY</b>			
Share capital		<b>1,132,097</b>	1,132,097
Reserves		<b>10,694,948</b>	11,164,811
Equity attributable to owners of the Company		<b>11,827,045</b>	12,296,908
Perpetual securities	11	<b>806,249</b>	806,239
Non-controlling interests		<b>6,238,017</b>	6,955,226
<b>Total equity</b>		<b>18,871,311</b>	20,058,373

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AT 30 JUNE 2024 – CONTINUED*

	<i>NOTE</i>	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>1,168,070</b>	1,359,740
Interest-bearing loans		<b>3,693,395</b>	6,900,840
Lease liabilities		<b>351,990</b>	370,826
<b>Total non-current liabilities</b>		<b>5,213,455</b>	8,631,406
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>10</i>	<b>54,133,817</b>	54,402,412
Tax payable		<b>8,425,268</b>	8,067,277
Interest-bearing loans		<b>10,661,153</b>	7,500,466
Lease liabilities		<b>51,309</b>	52,849
Contract liabilities		<b>26,673,726</b>	29,523,687
<b>Total current liabilities</b>		<b>99,945,273</b>	99,546,691
<b>Total liabilities</b>		<b>105,158,728</b>	108,178,097
<b>Total equity and liabilities</b>		<b>124,030,039</b>	128,236,470
<b>Net current assets</b>		<b>4,815,459</b>	9,074,217
<b>Total assets less current liabilities</b>		<b>24,084,766</b>	28,689,779

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standard Board (the “IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 30 June 2024, the Group had interest-bearing loans of RMB10,661 million which were repayable within one year from the end of the reporting period, while its bank balances and cash amounted to RMB977 million. In addition, as at 30 June 2024, the Group had not repaid certain interest-bearing loans of RMB2,329 million according to their scheduled repayment dates. The Group has been negotiating with the relevant banks for extension of the repayment dates of such loans. Subsequent to the end of the reporting period, the Group has entered into agreements to extend the repayment of loans which were due for repayment as at the reporting date and the directors of the Company expect the refinancing of several other similar loans will be completed in the near future.

The above circumstances indicate that the Group’s operations and liquidity are under stress. It is possible that the Group may not have sufficient working capital to operate if measures are not taken to improve the Group’s cash position.

In light of aforesaid, the directors of the Company have adopted a number of plans and measures to alleviate the liquidity pressures:

- (i) the Group is actively negotiating with several existing banks to extend the repayment schedule of the interest-bearing loans, and has been negotiating with various banks to secure new sources of financing;
- (ii) the Group will continue to actively adjust the sales and pre-sale activities to better respond to market needs and strive to achieve the latest budgeted sales and pre-sales volumes and amounts. The Group will maintain continuous communication with key contractors and suppliers for payment arrangements and to fulfil all necessary conditions for the commencement of pre-sales;
- (iii) as at 30 June 2024, the Group had restricted pre-sale proceeds of RMB206 million in designated bank accounts which may be used to settle certain construction liabilities or project loans subject to the approval of the PRC State-Owned Land and Resource Bureau. The Group will closely monitor the construction progress of its property development projects to ensure that the construction and related payments are met, the relevant properties sold under the pre-sale agreement are completed and delivered to the customers as scheduled, so that the Group will be able to release the restricted cash to meet its other financial obligations; and
- (iv) as at 30 June 2024, the Group had restricted bank deposits of RMB699 million in designated bank accounts, related to construction liabilities with claims amounting to RMB618 million. The Group will continuously negotiate with relevant contractors and suppliers to settle the liabilities and claims, so that the Group will be able to release the restricted bank deposits.

The directors of the Company have reviewed the Group’s cash flow projections prepared by the management of the Company, which cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to fund its operations and to meet its financial obligations as and when they fall due within twelve months from the end of the reporting period. Accordingly, the directors are satisfied that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

However, given the volatility of the property sector in the PRC, there is a material uncertainty as to whether the Group's management will be able to achieve these plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon (i) the successful and timely implementation of the plans to adjust sales and pre-sale activities and to fulfil all necessary conditions for the commencement of pre-sales; (ii) agreeing payment arrangements with key contractors and suppliers; and (iii) receiving continuous support by the banks on loan extension and securing new sources of financing.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

## **2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

### **Application of amendments to International Financial Reporting Standards (“IFRSs”)**

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of revenue from contracts with customers

	Six months ended 30 June 2024 (unaudited)		
	Revenue recognised at a point in time <i>RMB'000</i>	Revenue recognised over time <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sales of properties	5,805,610	–	5,805,610
Hotel and related services	–	38,454	38,454
Property management and other services	–	358,577	358,577
<b>Revenue from contracts with customers</b>	<b>5,805,610</b>	<b>397,031</b>	<b>6,202,641</b>
Leases – rental income			127,952
<b>Total revenue</b>			<b>6,330,593</b>
	Six months ended 30 June 2023 (unaudited)		
	Revenue recognised at a point in time <i>RMB'000</i>	Revenue recognised over time <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sales of properties	7,790,022	–	7,790,022
Hotel and related services	–	20,631	20,631
Property management and other services	–	323,935	323,935
<b>Revenue from contracts with customers</b>	<b>7,790,022</b>	<b>344,566</b>	<b>8,134,588</b>
Leases – rental income			98,194
<b>Total revenue</b>			<b>8,232,782</b>

### 3B. OPERATING SEGMENTS

The following is an analysis of the Group's revenue and results by reportable segments:

#### Six months ended 30 June 2024 (unaudited)

	Sales of properties <i>RMB'000</i>	Lease of properties <i>RMB'000</i>	Hotel and related services <i>RMB'000</i>	Property management and other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>SEGMENT REVENUE</b>					
External sales	5,805,610	127,952	38,454	358,577	6,330,593
Inter-segment sales	–	–	–	333,645	333,645
	<u>5,805,610</u>	<u>127,952</u>	<u>38,454</u>	<u>692,222</u>	<u>6,664,238</u>
Segment profit (loss)	<u>1,105</u>	<u>(492,331)</u>	<u>(3,643)</u>	<u>(8,264)</u>	<u>(503,133)</u>
Gain on disposal of interest in an associate					(195)
Share of results of associates					(2,991)
Share of results of joint ventures					<u>5,953</u>
Loss for the period					<u>(500,366)</u>

#### Six months ended 30 June 2023 (unaudited)

	Sales of properties <i>RMB'000</i>	Lease of properties <i>RMB'000</i>	Hotel and related services <i>RMB'000</i>	Property management and other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>SEGMENT REVENUE</b>					
External sales	7,790,022	98,194	20,631	323,935	8,232,782
Inter-segment sales	–	–	–	567,916	567,916
	<u>7,790,022</u>	<u>98,194</u>	<u>20,631</u>	<u>891,851</u>	<u>8,800,698</u>
Segment profit (loss)	<u>300,260</u>	<u>(262,214)</u>	<u>(10,283)</u>	<u>14,411</u>	42,174
Share of results of associates					(5,219)
Share of results of joint ventures					<u>(3,457)</u>
Profit for the period					<u>33,498</u>



The following is an analysis of the Group's assets and liabilities by reportable segments:

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(unaudited)</b>	(audited)
<b>Segment assets</b>		
Sales of properties	<b>136,124,330</b>	140,278,632
Lease of properties	<b>8,962,250</b>	9,554,000
Hotel and related services	<b>2,810,440</b>	2,531,749
Property management and other services	<b>10,660,439</b>	10,080,079
	<b>158,557,459</b>	162,444,460
Elimination of inter-segment receivables	<b>(39,840,214)</b>	(39,519,549)
Interests in associates	<b>1,749,214</b>	1,753,932
Interests in joint ventures	<b>3,563,580</b>	3,557,627
Total reportable segment assets	<b>124,030,039</b>	128,236,470
<b>Segment liabilities</b>		
Sales of properties	<b>132,359,215</b>	135,306,926
Lease of properties	<b>4,750,221</b>	5,063,864
Hotel and related services	<b>2,149,944</b>	1,878,546
Property management and other services	<b>5,739,562</b>	5,448,310
	<b>144,998,942</b>	147,697,646
Elimination of inter-segment payables	<b>(39,840,214)</b>	(39,519,549)
Total reportable segment liabilities	<b>105,158,728</b>	108,178,097

#### 4. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest expenses on interest-bearing loans	<b>465,058</b>	406,843
Interest expenses on lease liabilities	<b>11,105</b>	8,416
Interest expenses on contract liabilities	<b>182,488</b>	250,399
Less: interest of contract liabilities capitalised	<b>(182,488)</b>	(250,399)
interest of interest-bearing loans capitalised	<b>(352,508)</b>	(343,938)
	<b>123,655</b>	<b>71,321</b>

#### 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax (“EIT”)	<b>305,225</b>	327,852
PRC Land Appreciation Tax (“LAT”)	<b>170,069</b>	208,016
	<b>475,294</b>	535,868
Deferred tax	<b>(174,775)</b>	(114,633)
	<b>300,519</b>	<b>421,235</b>

No provision for Hong Kong Profits Tax has been made as the Group’s income is neither arises in, nor is derived from Hong Kong for both periods.

#### EIT

Under the law of the PRC on EIT (the “EIT Law”) and implementation regulation of the EIT Law, the Group’s main operating companies in the PRC are subject to PRC EIT at a rate of 25% for both periods.

In addition, the EIT Law provides that qualified dividend income between two “resident enterprises” that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the Enterprise Income Tax Law. A 10% withholding tax rate is applicable to the Group.

#### LAT

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

## 6. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

## 7. (LOSS) EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>(Loss) earnings</b>		
(Loss) earnings for the purpose of basic earnings per share		
((loss) profit for the period attributable to owners of the Company)	<b>(482,803)</b>	81,910
<b>Number of shares</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>2,769,188</b>	2,769,188

## 8. INVESTMENT PROPERTIES

	<b>Investment properties</b>
	<b>RMB'000</b>
At 1 January 2024 (audited)	9,554,000
Net decrease in fair value recognised in profit or loss	(591,750)
<b>At 30 June 2024 (unaudited)</b>	<b>8,962,250</b>

The fair value of the Group's investment properties as at 30 June 2024 and 31 December 2023 has been arrived at on the basis of a valuation carried out on the respective dates by Cushman & Wakefield ("C&W"), an independent qualified professional valuer not connected to the Group.

The management of the Company works closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for fair value measurements.

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

For investment properties under construction or development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for its differences in locations and other factors specific to the respective properties based on the valuer's judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuer based on its analyses of recent land transactions and market value of similar completed properties in the respective locations. There has been no change to the valuation technique during the interim period.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

As at 30 June 2024, investment properties of RMB560,000,000 (31 December 2023: RMB622,454,000) were pledged as collateral for the Group's borrowings.

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Trade receivables in respect of contracts with customers	<b>184,758</b>	243,070
Less: allowance for credit losses	<b>(16,709)</b>	(16,596)
	<b>168,049</b>	226,474
Trade receivables, net of allowance for credit losses	<b>168,049</b>	226,474
Other receivables	<b>17,739,999</b>	19,319,040
Less: allowance for credit losses	<b>(943,217)</b>	(963,494)
	<b>16,796,782</b>	18,355,546
Other receivables, net of allowance for credit losses	<b>16,796,782</b>	18,355,546
Advance payments	<b>1,199,660</b>	1,808,823
Advance deposits for acquisitions of land parcels for development	<b>465,120</b>	465,120
Other tax prepayments	<b>1,583,251</b>	1,544,365
Total	<b>20,212,862</b>	22,400,328

In general, the Group provides no credit term to its trade customers, but the Group provides credit terms to its major customers with specific approval. The following is an analysis of trade receivables by age, presented based on the invoice date, which approximated the revenue recognition date.

	<b>30 June 2024</b>	31 December 2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(unaudited)</b>	(audited)
0–90 days	<b>47,106</b>	25,401
91–180 days	<b>12,238</b>	6,391
181–365 days	<b>15,087</b>	6,830
Over 365 days	<b>93,618</b>	187,852
	<b><u>168,049</u></b>	<u>226,474</u>

#### 10. TRADE AND OTHER PAYABLES

	<b>30 June 2024</b>	31 December 2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(unaudited)</b>	(audited)
Trade payables	<b>27,125,518</b>	27,252,588
Non-trade payables due to related parties	<b>7,546,964</b>	7,527,942
Other taxes payable	<b>1,532,309</b>	1,565,673
Interest payable	<b>393,767</b>	316,198
Consideration payable due to Greenland Holdings Corporation Limited	<b>953,759</b>	953,759
Amount due to non-controlling shareholders	<b>5,059,462</b>	5,055,767
Other payables and accrued expenses	<b>11,522,038</b>	11,730,485
	<b><u>54,133,817</u></b>	<u>54,402,412</u>

The following is an analysis of trade payables due to related parties and third parties presented based on the invoice date:

	<b>30 June 2024</b>	31 December 2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(unaudited)</b>	(audited)
0–90 days	<b>17,971,627</b>	19,424,554
91–180 days	<b>1,247,634</b>	346,095
181–365 days	<b>3,733,512</b>	1,636,312
Over 365 days	<b>4,172,745</b>	5,845,627
	<b><u>27,125,518</u></b>	<u>27,252,588</u>

Trade and other payables are mainly unsecured, non-interest bearing and repayable on demand.

## 11. PERPETUAL SECURITIES

On 27 July 2016 (the “**Issue Date**”), the Group issued USD denominated senior perpetual capital securities (“**Perpetual Securities**”) with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group’s discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

As disclosed in the annual report for the year ended 31 December 2016, the rate of distribution applicable to the Perpetual Securities shall be:

- in respect of the period from, and including, the Issue Date to, but excluding the 5th anniversary from the Issue Date (the “**First Call Date**”), 5.625% per annum; and
- in respect of the periods (a) from, and including, the First Call Date to, but excluding, the immediately following reset date and (b) from, and including, each reset date falling after the First Call Date to, but excluding, the immediately following reset date, a rate of interest expressed as a percentage per annum equal to the sum of (1) 4.50 per cent, (2) treasury rate; and (3) 5.00 per cent. A reset date is defined as the First Call Date and each day falling on the expiry of every five calendar years after the First Call Date. The treasury rate refers to the prevailing rate that represents the average for the week immediately prior to the date on which the reset is calculated as published by the Board of Governors of the U.S. Federal Reserve.

The Group applied a 10.21% rate of distribution applicable to the Perpetual Securities for the current interim period.

Distribution of USD6,126,000 (equivalent to RMB43,521,000) (For the period ended 30 June 2023: USD6,126,000 (equivalent to RMB41,413,000)) has been provided and paid by the Company for the current interim period.

## I. INDUSTRY REVIEW

In 2024, the global economy grew slowly as market demand rebounded, while China's economy witnessed a stable start from the beginning of the year. The real estate industry is still in the stage of bottoming out of adjustment and transformation, and investment in real estate development showed positive changes in the first two months of the year. Although there was still a decreasing trend of sales amount, the decline has narrowed down slightly, and market sentiment has also been stabilized and improved to a certain extent. In the first quarter of 2024, China's GDP grew by 5.3% year-on-year, which exceeded expectations, and the national economy has rebounded. With the central government actively promoting the implementation of various real estate policies, regulatory policies have continued to be relaxed and the intensity of relaxation continues to increase. Together with the continuous implementation of demand-side policies, it is expected that in future various kinds of housing transaction taxes will be adjusted to promote home purchase and consumption, and the market will gradually stabilize and form a new balanced situation.

According to the GDP accounting data for the first quarter of 2024 released by the National Bureau of Statistics, the absolute value of the real estate industry decreased by 5.4% compared with the same period last year. In the first quarter, the market experienced a decline at the start and throughout the rest of the quarter and sales of property enterprises were under pressure with a considerable downward pressure. However, after the Spring Festival, driven by "exchanging price for volume" strategy, the customer flows at sales venues of new projects and visits and transactions of secondary-market properties in some cities have rebounded rapidly, and the house purchase sentiment has been improving, as witnessed by a short-lived resurgence in some cities. In the second quarter, there is still room for policy relaxation. In particular, the expectation of complete lifting of purchase restrictions in the core areas of first-tier cities and of restrictive policies in some second-tier cities may facilitate the stabilization and recovery of the market.

In respect of real estate policies, the keynote of relaxed policies remained unchanged, and the implementation of "three major projects" has been accelerated to increase support on the capital side. Local real estate regulatory policies continued to be optimized, and core cities such as Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou successively relaxed purchase restrictions, further unleashing market potential by city-specific policies at the local level. In terms of transformation, the government work report proposed to "accelerate the construction of a new mode of real estate development", while increasing the construction and supply of affordable housing, and improving the relevant fundamental system of commodity housing. Although there are some uncertainties in the recovery of the real estate market in the short term, the introduction of various favorable policies will have a positive impact on the real estate sales market in the future.

## II. BUSINESS REVIEW

### Results

In the first half of 2024, under the guidance of the Group's strategic policy, we effectively responded to industry challenges through the flexible application of innovative mechanisms. We not only deepened the all-round layout in the core business areas, but also demonstrated excellent execution ability and the spirit of overcoming difficulties in a number of key projects. Under the guidance of diversified breakthrough and innovation for change, the Company has continuously broadened its business boundaries, explored new sources of value, and achieved remarkable results in deepening internal reform, strengthening operation management and actively embracing changes.

For the six months ended 30 June 2024 (the “**period under review**”), the total contracted sales of the Group amounted to approximately RMB4,193,000,000 and the contracted gross floor area (“**GFA**”) sold was approximately 418,979 sq.m.. The Group recorded total revenue of approximately RMB6,331,000,000, representing a decrease of approximately 23% as compared with the same period last year. Loss attributable to owners of the Company for the period was approximately RMB483,000,000, representing a year-on-year decrease of approximately 689%. Cash and cash equivalents, including restricted cash, amounted to approximately RMB1,883,000,000. The board of directors has resolved not to declare any dividend for the six months ended 30 June 2024.

During the period under review, the total GFA sold and delivered amounted to approximately 411,570 sq.m., representing a decrease of approximately 18% as compared with the same period last year. Average selling price was approximately RMB14,106 per sq.m.. Revenue derived from property sales was approximately RMB5,806,000,000, representing a decrease of approximately 25% from approximately RMB7,790,000,000 during the same period last year. The main projects completed and delivered by area in the first half of 2024 are as follows:

	<b>Approximate GFA sold and delivered in 1H2024 sq.m.</b>	<b>Approximate sales recognized in 1H2024 RMB'000</b>	<b>Average selling price RMB/sq.m.</b>
Jiangsu	216,098	3,082,582	14,265
Zhejiang	102,800	2,177,031	21,177
Guangdong	61,801	326,528	5,284
Anhui	25,872	186,447	7,207
Others	4,999	33,022	6,606
	<hr/>	<hr/>	
Total	411,570	5,805,610	14,106



## **Contracted Sales**

In the first half of 2024, the real estate market experienced the dual impact of policy fine-tuning and demand release, prompting real estate enterprises to optimize products and services, and win the market with innovation and quality. The Group took innovative marketing strategies as the core, integrated policies and festival economy, and improved conversion rate. We activated the market through tenant sourcing for commercial office buildings, and achieved excellent performance in terms of big-order sales, with both the sales volume and average price of the Qinzhou project increasing. We introduced ESG concepts and created intelligent houses, making success in the debut of Wingceltis Palace. The operation efficiency of the Yiwu project and Zhoupu project was optimized, and the sales performance increased steadily.

During the period under review, the contracted sales of the Company amounted to approximately RMB4,193,000,000, representing a decrease of 53% from the same period last year, with the contracted GFA sold amounting to approximately 418,979 sq.m. representing a decrease of 45% from the same period last year. The contracted sales of the Group were mainly derived from projects located in key regions such as Jiangsu, Guangdong, Zhejiang and Guangxi.

## **Making Every Effort to Guarantee Delivery**

During the period under review, the real estate market was still in the process of adjustment. Under the dual pressure of market and policy, and intensified challenges in project delivery, Greenland HK has actively responded by striving for financial relief, optimizing supply chain collaboration, and focusing on key projects to enhance market confidence by means of a series of solid and effective measures, we ensured the construction progress and fulfilled the promise of high-quality delivery. The Group focused on and tackled key problems of projects. In the first half of 2024, we implemented policies in a precise manner, and achieved remarkable results in terms of delivery. Greenland HK facilitated the aforementioned with special teams dedicated to specific projects, showing professional competence in ensuring delivery of products and response to market changes.

## **Long-term Leasing Business**

As the only overseas-listed company of Greenland Group, Greenland HK grasped the development opportunities of the times and focused on the national development strategies to serve the needs of urban development and people's livelihood, adhering to the vision of creating a better lifestyle and deepening the development strategy of "1+2+3+X". The Group focused on the Yangtze River Delta region and innovatively launched a mixed operation model of "long-term leasing + short-term leasing", which significantly enhanced asset operation efficiency and profitability. At the same time, through active revitalization of assets within the Group, we accelerated the collection of funds, and constantly sought to expand the development boundary of the long-term leasing business.

“Elite Home”, as a residential leasing brand for carrying out residential leasing business under Greenland HK, is dedicated to providing high-quality, cozy and trendy living space for urban elites, and is a leading and innovative apartment leasing management platform in China. Adhering to the national policy of “affordable houses for all people”, Greenland’s Elite Home closely follows the development strategy of “cultivating the first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, and focusing on regional core cities”. The management scale in Shanghai, Nanjing, Hangzhou and other cities has reached nearly 10,000 units, and the occupancy rate has remained above 93% for years. Relying on the unique advantages of “state-owned system + market mechanism” and the development model of “heavy + light”, we will constantly explore a new ecology for the development of the residential leasing industry.

### **Commercial Operation**

Greenland HK has always adhered to the strategy of dual driving force of “real estate + commerce”, focusing on unlocking the commercial value of youth, fashion, trendiness and humanity, creating a number of benchmark commercial projects such as Yiwu Greenland Epoch Gate, Nanning 289· Shanghai Tiandi and Guangzhou Greenland Binfen City. Greenland HK solidified the refined management of commercial planning and positioning, tenant sourcing operation, marketing and property management. With the notion of product lines as the starting point for regulated, standardized and professional development, we created innovative product lines with a consumer-oriented approach, and developed our business in adherence to the “products + services + operation” concept.

## **Property Services**

In the first half of the year, the Group's income was stable, with the contracted GFA under management expanding rapidly and an increasing number of accumulated projects under our service. We completed more than 10 batches of efficient project delivery, and actively deepened service contents. The operation of innovative private domain platform has generated positive revenue effect, and we have significantly improved the diversified business strategy, promoting the improvement of property services to a higher level.

## **Innovation in marketing**

Greenland HK actively responded to new real estate policies, grasped market opportunities, implemented strategic optimization, identified core areas and key projects, strengthened the layout of the whole chain, and promoted destocking by sales. In the face of the complex and changing market situation in the first half of the year, the Company responded flexibly, and adopted a two-pronged approach. On the one hand, the Company focused on developing offline services, consolidated the existing owners' network and, at the same time, explored new customers. On the other hand, the Company leveraged upon online live streaming platforms to attract new traffic, enhance brand popularity, continue to explore innovative marketing paths, expand market coverage, and strive to climb new performance peaks.

## **Land Bank**

In 2024, Greenland HK continued to deepen its development in the Yangtze River Delta and the Greater Bay Area, focusing on first-tier cities to enhance its regional operational capabilities, and also adopted a prudent investment strategy. As at 30 June 2024, the Group held an abundant high-quality land bank of approximately 18,600,000 sq.m., mainly located in core cities, which is sufficient to support our development in the next few years.

## **Outlook**

As a committed practitioner of good life, Greenland HK will adhere to the development strategy of "1+2+3+X". At the beginning of the second half of the year, Greenland HK firmly implements the corporate purpose of "doing what the government wants, satisfying the needs of the market, and striving as hard as Greenland can". On the one hand, we will continue to deepen our traditional business areas, strive for excellence, and consolidate our existing advantages. On the other hand, we will actively explore the "new arenas", and through the deep integration of internal and external resources, accelerate the comprehensive development of the "Greenland's smart manufacturing" professional agent construction platform. With the "2+2" innovative service model, we will accurately respond to customers' demands, strengthen brand influence and market competitiveness, and deepen the business layout, leading the development of the industry with a steady pace, and setting up a new benchmark in the industry.

At the same time, we will promote transformation and upgrading with innovation, and adhere to the principles of “optimizing the structure, excelling in its core business, strengthening coordination and diversifying development”, so as to build an ecological industrial chain system, continuously improve our core competitiveness, and unswervingly strive for creating a better life while disseminating the concept of a better life. The Group will adopt the development policy of “respect and care for every bit of land” and “persist to be a creator of better lifestyle”, and undertake long-termism aspiration aiming at stable and sustainable development. While grasping the opportunity brought by market recovery and rebound, the Group will also focus on fostering the high-quality development of green construction, promoting energy conservation and emission reduction, and achieving low-carbon development.

In addition, Greenland HK has always been committed to sound financial management. The Group will continue to strengthen cash flow management and closely monitor the financial returns and cash collection of property projects to ensure adequate cash reserves. At the same time, the debt structure will be optimized to maintain a sound financial position. Greenland HK will continue to enhance the level of refined management, enhance the competitiveness and market influence of the entire Group, and lay a solid foundation for the long-term development of its business.

With the arrival of the second half of the year, Greenland HK will further accelerate the pace of transformation and upgrading, deepen the guiding concept of “second entrepreneurship”, actively embrace industry changes, and explore new opportunities for diversified development. By deepening internal and external cooperation, broadening the resource network, and building a more stable ecosystem, we are committed to creating greater value for shareholders, customers and society, promoting the deep integration of urban renewal and regional development, and contributing to the urbanization process.

### III. FINANCIAL PERFORMANCE

#### Revenue

The total revenue of the Group for 1H2024 was approximately RMB6,331,000,000, representing a decrease of approximately 23% compared with approximately RMB8,233,000,000 for the same period of 2023, mainly due to less properties sold and delivered.

Sales of properties, as the core business activity of the Group, generated revenue of approximately RMB5,806,000,000 for 1H2024 (1H2023: approximately RMB7,790,000,000), accounting for approximately 92% of the total revenue and representing a year-on-year decrease of approximately 25%. The revenue of the Group from other segments included income from hotel operation, income from property management and other services, and rental income from rental properties.

	<b>1H2024</b> <i>RMB'000</i>	1H2023 <i>RMB'000</i>	Change <i>RMB'000</i>
Sales of properties	<b>5,805,610</b>	7,790,022	(1,984,412)
Property management and other services	<b>358,577</b>	323,935	34,642
Hotel and related services	<b>38,454</b>	20,631	17,823
Rental income	<b>127,952</b>	98,194	29,758
Total	<b><u>6,330,593</u></b>	<u>8,232,782</u>	<u>(1,902,189)</u>

#### Cost of Sales

Cost of sales decreased by approximately 18% to approximately RMB5,473 million from approximately RMB6,649 million for 1H2023. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

#### Gross Profit and Gross Profit Margin

Gross profit decreased to approximately RMB858 million from approximately RMB1,584 million for 1H2023, mainly due to less properties sold and delivered. The gross profit margin decreased from 19% to 14%.

#### Other Income, Gains and Losses, and Other Operating Expenses

Other income, gains and losses, and other operating expenses decreased to a loss of approximately RMB15 million in 1H2024 from a loss of approximately RMB182 million in 1H2023.

## **Operating Expenses**

Due to the effective management over expenditure control of the Group, administrative expenses and selling and marketing costs decreased to RMB173 million and RMB184 million, respectively, representing a decrease of approximately 16% and 38% as compared with the same period last year. In 1H2023, they were approximately RMB207 million and RMB296 million respectively.

## **Finance Costs**

Finance costs increased from RMB71 million in 1H2023 to RMB124 million in 1H2024.

## **Fair Value Change of Investment Properties**

The Group recorded fair value loss on investment properties of approximately RMB592 million, compared to a loss of approximately RMB389 million for the same period in 2023. The fair value loss was mainly due to decrease of value of the projects in Yiwu, Shanghai, Suzhou and Haikou.

## **Income Tax Expenses**

Income tax decreased by approximately 29% from approximately RMB421 million in 1H2023 to approximately RMB301 million for the same period of 2024.

## **(Loss) Profit for the Period and Attributable to Owners of the Company**

Loss for the Period and loss attributable to owners of the Company decreased to approximately RMB500 million and approximately RMB483 million respectively, as compared with a profit of approximately RMB33 million and approximately RMB82 million for the same period of 2023.

## **Financial Position**

As at 30 June 2024, the Group's total equity was approximately RMB18,871 million (31 December 2023: RMB20,058 million), total assets amounted to RMB124,030 million (31 December 2023: RMB128,236 million) and total liabilities amounted to RMB105,159 million (31 December 2023: RMB108,178 million).

## **Liquidity and Financial Resources**

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied in business operations and investment in development projects.

As at 30 June 2024, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) was approximately 66% (31 December 2023: 58%) and total cash and cash equivalents (including restricted cash) amounted to approximately RMB1,883 million, with total borrowings of approximately RMB14,355 million and an equity base of approximately RMB18,871 million.

## **Treasury Policy**

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions conducted in the capital market, there is limited exposure to foreign exchange risk.

The Group has borrowings denominated in United States dollars and Hong Kong dollars, while its operating income is mainly denominated in RMB. The Group will continue to monitor the trend of exchange rate of RMB to United States dollars and, where appropriate, adopt appropriate measures to hedge against the risk in foreign currency exchange.

The Group has established a treasury policy with the objective of enhancing its control over treasury functions and lowering its capital costs. In providing funds to its operations, terms of funding have been centrally reviewed and monitored at the Group level.

In order to minimize its interest risk, the Group continued to closely monitor and manage its loan portfolio through interests stipulated in its existing agreements which varied according to market interest rates and offers from the banks.

## **Credit Policy**

Trade receivables mainly arose from sales and lease of properties and were settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

## **Pledge of Assets**

As at 30 June 2024, the Group pledged its properties and land use rights with carrying amount of approximately RMB33,079 million to secure bank facilities, and the outstanding balance of the secured loan amounted to approximately RMB13,106 million.

## Financial Guarantees

As at 30 June 2024, the Group provided guarantees to banks for:

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Mortgage	<b><u>15,849,240</u></b>	<u>18,546,610</u>

## Capital Commitments

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Property development business: – Contracted but not provided for	<b><u>12,225,404</u></b>	<u>12,888,702</u>

## Human Resources

As at 30 June 2024, the Group employed a total of 2,543 employees, among which 1,029 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to basic salary, year-end bonuses are offered to employees with outstanding performance, and a share award scheme has been adopted to attract and retain employees of high calibre. The Group also provides various training programs to improve their skills and develop their respective expertise.



## **INTERIM DIVIDEND**

The board of directors (the “**Board**”) of the Company has resolved not to declare any interim dividends for the six months ended 30 June 2024.

## **MATERIAL CHANGES**

Save as disclosed in this announcement, there have been no material changes in respect of matters relating to the business developments, financial position and future prospects of, and important events affecting, the Group since the publication of the Company’s 2023 Annual Report.

## **CORPORATE GOVERNANCE**

During the six months ended 30 June 2024, the Company had complied with the code provisions set out in Part 2 of the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, except for code provisions C.2.1 and F.2.2 as described below.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 17 May 2024 to 30 June 2024, Mr. Luo Weifeng had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Company considers that the combination of the roles during the aforesaid period was conducive to the efficient formulation and implementation of the Group’s strategies and policies and such combination had not impaired the corporate governance practices of the Group. The balance of power and authority have been ensured by the management of the Company’s affairs by the Board, which meets regularly to discuss and determine issues concerning the operations of the Group. Code provision F.2.2 stipulates that the chairman of the Board should attend the AGMs. The chairman of the Board did not attend the AGM held on 27 June 2024 due to other business commitments.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2024.

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, no important events affecting the Group have occurred since the end of the six-month period ended 30 June 2024.

## **REVIEW OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The condensed consolidated financial statements of the Company for the six months ended 30 June 2024 were not audited but have been reviewed by the audit committee of the Company (the “**Audit Committee**”). In connection with such review, the Audit Committee has discussed with the management of the Company and the Company’s external auditors on the accounting principles and policies adopted for the preparation of the said financial statements. Based on that review and discussions, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards.

## **PUBLICATION OF 2024 INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.greenlandhk.com](http://www.greenlandhk.com). The 2024 interim report will be available on the HKEXnews website and the Company’s website and despatched to Shareholders on or before 30 September 2024.

By Order of the Board  
**Greenland Hong Kong Holdings Limited**  
**Luo Weifeng**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Luo Weifeng, Mr. Wang Weixian, Mr. Wu Zhengkui, Ms. Wang Xuling, Dr. Li Wei and Mr. Li Yongqiang; and the independent non-executive directors of the Company are Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong.*