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綠景（中國）地產投資有限公司
LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
(HKSE Stock Code: 95)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of LVGEM (China) Real Estate Investment Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**1,045,034**	2,030,313
Cost of sales		**(610,638)**	(1,066,846)
Gross profit		**434,396**	963,467
Other income		**66,372**	56,955
Other gains and losses		**(80,160)**	(1,687)
Selling expenses		**(56,933)**	(72,226)
Administrative expenses		**(216,645)**	(227,546)
Recognition of change in fair value of properties under development for sale/properties held for sale upon transfer to investment properties		**2,310,697**	1,378,133
Fair value changes on investment properties		**175,535**	(128,725)
Fair value changes on derivative component of convertible bonds		**(34,585)**	55,177
Finance costs	*4*	**(787,605)**	(833,704)
Profit before tax	*5*	**1,811,072**	1,189,844
Income tax expense	*6*	**(784,310)**	(568,229)
Profit for the period		**1,026,762**	621,615
Profit (loss) for the period attributable to:			
Owners of the Company		**630,794**	638,040
Non-controlling interests		**395,968**	(16,425)
		1,026,762	621,615
		RMB cents	*RMB cents*
		(Unaudited)	(Unaudited)
Earnings per share	*8*		
– Basic		**12.37**	12.52
– Diluted		**7.42**	7.14

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**1,026,762**	621,615
Other comprehensive (expense) income		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation	**(191,015)**	47,257
Item that will not be reclassified to profit or loss:		
Fair value changes on investments in equity instruments at fair value through other comprehensive income, net of tax	**(26,579)**	14,240
Other comprehensive (expense) income for the period	**(217,594)**	61,497
Total comprehensive income for the period	**809,168**	683,112
Total comprehensive income (expense) attributable to:		
Owners of the Company	**413,171**	696,994
Non-controlling interests	**395,997**	(13,882)
	809,168	683,112

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Non-current assets			
Investment properties		**39,688,290**	29,190,354
Property, plant and equipment		**827,972**	856,628
Goodwill		**231,602**	231,602
Interest in a joint venture		**6,054**	6,054
Amount due from a joint venture		**522,318**	522,318
Equity instruments at fair value through other comprehensive income		**414,984**	450,423
Restricted bank deposits		**310,000**	540,000
Deferred tax assets		**601,838**	551,812
		42,603,058	32,349,191
Current assets			
Properties under development for sale		**35,317,696**	40,057,708
Properties held for sale		**2,583,394**	3,087,656
Other inventories		**973**	777
Accounts receivable	*9*	**59,534**	39,489
Deposits paid, prepayments and other receivables		**3,075,671**	2,598,909
Tax recoverable		**76,269**	61,255
Restricted bank deposits		**2,678,035**	2,840,020
Bank balances and cash		**2,743,907**	3,907,048
		46,535,479	52,592,862
Current liabilities			
Accounts payable	*10*	**2,766,418**	3,642,441
Contract liabilities		**2,435,131**	1,358,938
Accruals, deposits received and other payables		**2,173,160**	1,925,344
Lease liabilities		**20,971**	17,196
Borrowings		**6,965,791**	6,994,506
Senior notes and bond		**4,683,750**	1,394,867
Debt component of convertible bonds		**910,588**	1,462,252
Derivative component of convertible bonds		**50,240**	26,251
Tax liabilities		**2,348,131**	2,349,916
		22,354,180	19,171,711
Net current assets		**24,181,299**	33,421,151
Total assets less current liabilities		**66,784,357**	65,770,342
Non-current liabilities			
Borrowings		**20,001,984**	17,999,225
Senior notes and bond		**199,336**	3,336,853
Lease liabilities		**137,102**	147,279
Deferred tax liabilities		**4,279,467**	3,558,552
Other non-current liabilities		**11,916,511**	11,287,644
		36,534,400	36,329,553
Net assets		**30,249,957**	29,440,789
Capital and reserves			
Share capital		**42,465**	42,465
Reserves		**26,299,968**	25,886,797
Equity attributable to owners of the Company		**26,342,433**	25,929,262
Non-controlling interests		**3,907,524**	3,511,527
Total equity		**30,249,957**	29,440,789

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as 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 "**Stock Exchange**").

The condensed consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management continues to closely monitor the liquidity position of the Group, which includes the sensitivity analysis of forecast bank and cash balances for various factors (including the number and selling price of residential properties and commercial buildings sold) over the short and medium term to ensure adequate liquidity is maintained.

The Group has borrowings of RMB6,966 million and convertible bonds of RMB366 million approaching maturity and due for repayment or renewal in the coming twelve months from the end of the reporting period, and convertible bonds of RMB545 million with the early redemption options and domestic corporate bonds of RMB1,396 million, of which RMB509 million were retracted by the bondholders in August 2022, and which the remaining RMB887 million with retractable options, in the coming twelve months from the end of the reporting period. In addition, the Group has public senior notes with carrying amount of RMB3,288 million which will be matured on 10 March 2023. The Group might not have sufficient working capital to operate if such borrowings, convertible bonds and public senior notes are required to be repaid or redeemed and all other alternative operating and financing plans as described below cannot be implemented as planned. These conditions indicate that the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the directors of the Company have reviewed the Group's cash flow forecasts which cover a period of not less than twelve months from 30 June 2022.

Cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debt obligation and capital expenditure requirements for at least twelve month period from the date of the end of the reporting period. Such cash flow forecasts include the following assumptions:

– The Group has positive relationships with its external financiers who are expected to continue to provide strong support to the Group in the following aspects:

  1) Among the total convertible bonds of approximately RMB911 million, approximately RMB366 million, which was originally matured in May 2022, has extended the maturity date to May 2023 based on supplementary agreement entered in May 2022, and together with remaining of approximately RMB545 million, which the bondholder agreed not to exercise early redemption option until maturity date, shall be all matured in May 2023 in accordance with the scheduled repayment dates as set out in the respective convertible bonds subscription and supplementary agreements and the total amounts are assumed to be renewed upon or before the maturity date in May 2023;

  2) The RMB denominated domestic corporate bonds with an aggregate principal amount of RMB1,400 million, of which RMB509 million were retracted by the bondholders in August 2022, and the remaining RMB891 million embedded with retractable options, which shall be matured after twelve months from the end of the reporting period in accordance with the scheduled repayment dates as set out in the offering memorandum, are assumed not to be retracted by the bondholders within twelve months from the end of the reporting period;

  3) The United States Dollar ("**US$**") denominated public senior notes with an aggregate principal amount of US$470 million (equivalent to approximately RMB3,288 million) is assumed to be renewed upon or before the maturity date after considering the coupon rate and the past experience in launching the issuance and exchange offer of senior notes;

  4) The existing outbound guarantee facility arrangement with the banks in relation to the fund transmission from People's Republic of China (excludes Hong Kong, Macau and Taiwan) ("**Mainland China**" or the "**PRC**") to Hong Kong is assumed to be feasible and effective, based on the past historical records; and

  5) The related parties of the Group have agreed not to demand for repayment for non-trade amounts of approximately RMB1,319 million as of 30 June 2022 until the Group has the financial ability to do so.

– At 30 June 2022, the amount of properties under development for sale and properties held for sale are approximately RMB35,318 million and RMB2,583 million, respectively which are substantially located in the Greater Bay Area in Mainland China which can contribute a stable source of cash inflow by realising those assets.

1. BASIS OF PREPARATION *(Continued)*

The directors of the Company also note the following considerations, relevant to the Group's ability to continue as a going concern:

– At 30 June 2022, total cash and bank balances of approximately RMB2,744 million were held by the Group.

– At 30 June 2022, the Group had available undrawn debt facilities of approximately RMB23,612 million relating to projects related loans and approximately RMB304 million relating to remaining bank and other borrowings, respectively. The maturities of these facilities range from July 2023 to June 2032.

In the event forecast cash flow is not achieved or the renewal of borrowings, convertible bonds and public senior notes do not undergo as planned, the directors of the Company have also evaluated other plans that could be undertaken to improve their liquidity position as follow:

– The Group is currently considering the loan financing offers provided by two equity fund investors with amounts not less than RMB3,000 million and US$500 million each and the loan periods are not less than 3 years; and

– The Group could adjust their original sale plan for some residential properties and commercial buildings to earlier stage (i.e. second half year of 2022) in order to generate additional funds not less than approximately RMB1,900 million.

Taking into account all assumptions and plans as described above, the directors of Company are of the opinion that the Group will have sufficient working capital to maintain its operations and to pay its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. The directors of the Company are satisfied that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, uncertainty exists as to whether the renewal of borrowings, convertible bonds and public senior notes can be renewed and all other alternative operating and financing plans as the Group is still negotiating with its external financiers on the financing to the Group and the sales of properties depend on the market condition. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, if applicable. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of properties	**496,668**	1,555,986
Revenue from hotel operation, property management service and other services	**210,096**	143,148
Revenue from contracts with customers	**706,764**	1,699,134
Rental income	**338,270**	331,179
	1,045,034	2,030,313
Timing of revenue recognition from contracts with customers		
At a point in time	**496,668**	1,555,986
Over time	**210,096**	143,148

In identifying its operating segments, the executive directors of the Company, being the chief operating decision makers, generally follow the Group's service lines, which represent the main products and services provided by the Group. The Group has identified the following reportable segments under HKFRS 8:

- Real estate development and sales: sales of properties
- Commercial property investment and operations: lease of commercial properties, office premises and car parks
- Comprehensive services: hotel operation, property management service and other service income

Each of these operating segments is managed separately as each of these products and service lines requires different resources as well as marketing approaches.

Segment revenue and results

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

Six months ended 30 June 2022

	Real estate development and sales	**Commercial property investment and operations**	**Comprehensive services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue:				
From external customers	**496,668**	**338,270**	**210,096**	**1,045,034**
Inter-segment revenue	**–**	**11,908**	**48,023**	**59,931**
Total segment revenue	**496,668**	**350,178**	**258,119**	**1,104,965**
Reportable segment profit	**27,535**	**316,685**	**90,176**	**434,396**

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2021

	Real estate development and sales *RMB'000* (Unaudited)	Commercial property investment and operations *RMB'000* (Unaudited)	Comprehensive services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue:				
From external customers	1,555,986	331,179	143,148	2,030,313
Inter-segment revenue	–	12,549	46,750	59,299
Total segment revenue	1,555,986	343,728	189,898	2,089,612
Reportable segment profit	609,793	309,330	44,344	963,467

Inter-segment sales are at mutually agreed terms.

Reconciliations of reportable segment revenue, profit or loss

The Group does not allocate fair value changes of properties under development for sale/properties held for sale upon transfer to investment properties, fair value changes on investment properties, fair value changes on derivative component of convertible bonds, other income, other gains and losses, depreciation, finance costs and corporate expenses to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision makers while the investment properties are allocated to the segment of "commercial property investment and operations" for presenting segment assets.

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies.

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	**1,104,965**	2,089,612
Elimination of inter-segment revenue	**(59,931)**	(59,299)
Consolidated revenue	**1,045,034**	2,030,313
Profit		
Reportable segment profit	**434,396**	963,467
Recognition of change in fair value of properties under development for sale/ properties held for sale upon transfer to investment properties	**2,310,697**	1,378,133
Fair value changes on investment properties	**175,535**	(128,725)
Other income	**66,372**	56,955
Other gains and losses	**(80,160)**	(1,687)
Depreciation	**(41,867)**	(38,084)
Finance costs	**(787,605)**	(833,704)
Fair value changes on derivative component of convertible bonds	**(34,585)**	55,177
Corporate expenses	**(231,711)**	(261,688)
Consolidated profit before tax	**1,811,072**	1,189,844

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment assets

The following is an analysis of the Group's assets by reportable and operating segment, no liabilities are presented as the information is not reportable to the chief operating decision makers in the resource allocation and assessment of performance:

	At 30 June 2022	At 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Real estate development and sales	**37,979,872**	43,209,976
Commercial property investment and operations	**39,717,612**	29,212,394
Comprehensive services	**327,194**	314,205
Reportable segment assets	**78,024,678**	72,736,575
Goodwill	**231,602**	231,602
Equity instruments at fair value through other comprehensive income	**414,984**	450,423
Bank balances and cash (including restricted bank deposits)	**5,731,942**	7,287,068
Deferred tax assets	**601,838**	551,812
Interest in a joint venture and amount due from a joint venture	**528,372**	528,372
Corporate assets	**3,605,121**	3,156,201
Consolidated total assets	**89,138,537**	84,942,053

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than goodwill, equity instruments at fair value through other comprehensive income, bank balances and cash (including restricted bank deposits), deferred tax assets, interest in a joint venture, amount due from a joint venture and corporate assets.

4. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on:		
Bank and other borrowings	**795,760**	693,075
Convertible bonds	**96,148**	95,118
Senior notes and bonds	**238,352**	239,812
Lease liabilities	**7,125**	4,792
Less: Amount capitalised in investment properties under development and properties under development for sale*	**(349,780)**	(199,093)
	787,605	833,704

* The finance costs have been capitalised at rates ranging from 2.07% to 13.75% (six months ended 30 June 2021: 1.30% to 13.75%) per annum.

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before tax is arrived at after charging (crediting):		
Cost of properties held for sale recognised as expense	**469,133**	946,193
Depreciation of property, plant and equipment	**41,977**	38,110
Less: Amount capitalised in investment properties under development and properties under development for sale	**(110)**	(26)
	41,867	38,084
Gross rental income from investment properties	**338,270**	331,179
Outgoings in respect of investment properties that generated rental income during the period	**(21,585)**	(21,849)
	316,685	309,330
Expense relating to short-term leases	**466**	1,871

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Mainland China Enterprise Income Tax ("**EIT**")		
– Current period	**79,606**	83,388
– Overprovision in prior periods	**–**	(97)
	79,606	83,291
Mainland China Land Appreciation Tax ("**LAT**")		
– Current period	**24,955**	128,270
– Underprovision in prior periods	**–**	4,130
	24,955	132,400
Deferred taxation	**679,749**	352,538
Total income tax expense	**784,310**	568,229

7. DIVIDENDS

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

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	**630,794**	638,040
Effect of dilutive potential earnings in respect of – Convertible bonds	**–**	(2,863)
Earnings for the purpose of diluted earnings per share	**630,794**	635,177

	Number of shares	
	2022	2021
Number of shares		
Weighted average number of ordinary shares of the Company for the purpose of basic earnings per share	**5,097,703,975**	5,097,407,842
Effect of dilutive potential ordinary shares in respect of		
– Share options	**–**	38,430,981
– Convertible bonds	**–**	350,531,593
– Convertible preference shares	**3,404,575,241**	3,404,575,241
Weighted average number of ordinary shares of the Company for the purpose of diluted earnings per share	**8,502,279,216**	8,890,945,657

The computation of diluted earnings per share for the periods ended 30 June 2022 does not assume the conversion of outstanding convertible bonds (30 June 2021: certain outstanding convertible bonds) of the Group as the conversion would result in an increase in earnings per share. Moreover, the computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the period ended 30 June 2022.

9. ACCOUNTS RECEIVABLE

Accounts receivable represent receivables arising from sales of properties, rental income from leasing properties and comprehensive services (including hotel operation and property management). For the receivables arising from sales of properties, they are due for settlement in accordance with the terms of the relevant sales and purchase agreements. For the receivables arising from rental income from leasing properties, monthly rents are normally received in advance and sufficient rental deposits are held to minimise credit risk. For accounts receivable generated from hotel operation, the credit term is payable on demand. For accounts receivable generated from property management, receivable generally have credit terms of 30 to 60 days.

The ageing analysis of the Group's accounts receivable, based on invoice dates for rental income from leasing properties and comprehensive services and the terms of relevant sales and purchases agreements for sales of properties, net of allowance of creidt losses, is as follows:

	At 30 June	At 31 December
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 month	**39,547**	27,183
1 to 12 months	**18,857**	8,397
13 to 24 months	**1,130**	3,909
	59,534	39,489

10. ACCOUNTS PAYABLE

Based on invoice dates, the ageing analysis of the Group's accounts payable is as follows:

	At 30 June 2022 *RMB'000* **(Unaudited)**	At 31 December 2021 *RMB'000* (Audited)
Within 1 month	**1,855,997**	2,680,964
1 to 12 months	**628,951**	770,407
13 to 24 months	**214,992**	113,386
Over 24 months	**66,478**	77,684
	2,766,418	3,642,441

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the first half of 2022, amid the volatility in the global scene, persistent geopolitical conflicts and international economic recession, the world was at the crossroads of turbulence and change. Meanwhile, China navigated through the mists of the global turmoil. Under the domestic sporadic COVID-19 resurgences, the greater difficulties in production and operation with shrinking demand and supply sides synchronously, China's major economic indicators were under severe stress in the short run. Despite the new tide of internal and external hardship, the Central Government took the initiative to implement proactive policies in a scientific manner. Rather than pumping liquidity in the economy, it launched a series of economic stabilisation policies and measures, decisively stepped up the macroeconomic adjustments and effectively coordinated the pandemic containment measures, thus procuring the recovery to national economic stability from the previous decline in May 2022. According to the data of the National Bureau of Statistics, the GDP of China for the first half of 2022 reached RMB56.26 trillion, representing an increase of 2.5% year-on-year. China showed economic resilience and stable macro-economic conditions. Continuing its high-quality development momentum, China has become the key stabilizer of the global economic growth in the first half of 2022.

During the period under review, the real estate industry was out of the winter's chill, however, the market sentiments stayed far from recovery, the effective demand was inadequately released and the sluggish market trading remained unchanged. Besides, the sales amount of commodity housing decreased dramatically throughout China, while the accumulated investment in the real estate development recorded negative year-on-year growth for the first time. Confronted with the domestic economic downward pressure and the potential risks of spillover of the real estate industry, the Central Government stressed the importance of "stabilizing the real estate sector" to "stabilizing the economy", while governments of all levels frequently delivered signals of market recovery. Municipal governments launched policies based on the local conditions. Local optimization policies were adopted for as many as 500 times, which was a new high for the same period in the history. Industrial policies have entered into a cycle of relaxation. With the recovery of market confidence from the trough, the sales area in key cities turned around from May to June 2022. As the market has bottomed out and recovered, the long-term mechanism of the real estate industry was further consolidated. The industry has hence resumed its virtuous cycle.

Regionally, the Guangdong-Hong Kong-Macao Greater Bay Area (the "**GBA**") remained one of the most economically vibrant regions in the People's Republic of China (the "**PRC**"). As stated in "The Report on the Integration of City Clusters in China (中國城市群一體化報告)" issued by the affiliated institution of the Development Research Center of the State Council, the gross national product of the GBA is expected to reach approximately RMB14.76 trillion in 2022, exceeding that of the Tokyo Bay Area to become the top bay area in terms of the overall economic strength globally. Meanwhile, the GBA will play the supporting and leading role in the economic development of China and her opening-up to the world. During the period, the mortgage rates for first home purchases realized a decline in the GBA, where they fell to the minimum of 4.75% and for second home purchases, further down to nearly 4% in Shenzhen. The wait-and-see sentiment of home buyers has eased. In the core zone of Nanshan District, the main district, high-priced deals were recorded among the high-end residential projects with an unit price exceeding RMB0.1 million per square meter. Luxury residence market has been at the forefront of recovery. The property market is generally expected to embrace the forthcoming short boom. According to the data of the Statistics Bureau of Shenzhen Municipality, the investment in the real estate development throughout Shenzhen grew by 10.5% in the first half of the year. The policies have resulted in marginal loosening with a marked increase in supply and demand, offering structural opportunities for the real estate industry.

The Group's strategy to focus on regional development has delivered satisfactory results. With its early insight on the prospect of the economic development of the GBA, the Group had targeted the demographic advantages arising from the urban expansion and as the first mover, commenced the residential and commercial development of urban renewal projects in the GBA. Based on its "dual-core" strategy of "Focusing on Core Cities and Cities' Core Areas", it has identified and acquired in advance the land resources of high value in the core cities and core districts of the GBA at low cost. Capitalizing on its experience and resources accumulated from urban renewal projects in the past 30 years, LVGEM (China) has laid a solid moat in the urban renewal segment and gradually grown into a unique real estate developer and regional leading enterprise among the core cities in the GBA.

A phoenix fears no fire. Facing the critical macro-economic conditions and the financial trend of balance sheet shrinking, the Group took precautious measures prudently in order to mitigate the negative impacts of the pandemic proactively during the period. In addition, it steadily pushed forward projects in major cities in the GBA such as Shenzhen, Zhuhai, Hong Kong and Dongguan into the well-established stage in an orderly manner. Pursuing the top priority of "ensuring safety" and the core mission of "promoting development", the Group continued to curb the debt level, optimize the financial structure and expand marginal safety in a bid to ensure its sustainable growth in the changing landscape of the industry.

Results

For the six months ended 30 June 2022, the Group achieved a total revenue of approximately RMB1,045.0 million (six months ended 30 June 2021: RMB2,030.3 million), representing a decrease of approximately 48.5% year-on-year. Gross profit was approximately RMB434.4 million (six months ended 30 June 2021: RMB963.5 million), representing a decrease of approximately 54.9% year-on-year. Gross profit margin for the six months ended 30 June 2022 remained at a relatively high level of approximately 41.6% (six months ended 30 June 2021: 47.5%).

During the reporting period, the Group achieved a profit of approximately RMB1,026.8 million (six months ended 30 June 2021: RMB621.6 million), representing an increase of approximately 65.2% year-on-year. Profit attributable to owners of the Company was approximately RMB630.8 million (six months ended 30 June 2021: RMB638.0 million), representing a decrease of approximately 1.1% year-on-year. Basic earnings per share was approximately RMB12.37 cents (six months ended 30 June 2021: RMB12.52 cents), representing a decrease of approximately 1.2% year-on-year.

The Group's key financial indicators for the six months ended 30 June 2022 were as follows:

	2022 *(RMB million)*	2021 *(RMB million)*	Change
Revenue	**1,045.0**	2,030.3	-48.5%
Gross profit	**434.4**	963.5	-54.9%
Profit attributable to owners of the Company	**630.8**	638.0	-1.1%
Basic earnings per share (RMB cents)	**12.37**	12.52	-1.2%
Gross profit margin (%)	**41.6**	47.5	-5.9 percentage point

	As at 30 June 2022	As at 31 December 2021
Bank balances and cash (including restricted bank deposits) (RMB million)	**5,731.9**	7,287.1
Average finance costs (%)*	**6.5**	6.4
Liabilities to assets ratio (%)	**66.1**	65.3
Rate of equity return (%)	**4.8**	4.4

* Average finance costs are derived by dividing the total finance costs for the period (including convertible bonds but excluding finance cost derived from lease liabilities) by average total loans which is calculated by adding up of average balances of total loans (including debt component of convertible bonds but excluding lease liabilities) for the period.

The Board does not recommend the payment of any dividend for the six months ended 30 June 2022.

Business Review

The real estate industry served as one of the major pillars of the national economy. In the first half of 2022, the market sentiments remained sluggish with demand and supply slowdown. Oriented with the concept of "stabilizing the economy, market and employment", the Central Government and governments of all levels in the PRC have launched policies favoring the recovery of the real estate industry and delivered positive market signals in various cities frequently, including the optimization of the regulatory system on the capital for property pre-sale and increasing the funds available for real estate enterprises. Furthermore, measures such as boosting the desire for consumption on properties in the society and lowering the financing thresholds for quality private real estate enterprises have further enhanced the resilience of such enterprises in battling against the adversity, buffered the negative feedback arising from the credit crunch of large real estate enterprises and prevented the systematic risks of the industry, thereby rebuilding the confidence of buyers in the real estate market.

During the period, staying committed to its original mission, the Group proactively monitored the changing macro environment to make timely responses. Focusing on the high-value residential and commercial development projects in the core cities and core districts of the GBA, the Group steadily pushed forward the existing urban renewal projects such as the Shenzhen Baishizhou Urban Renewal project, Shenzhen Liguang Project, Zhuhai Dongqiao Project (LVGEM Royal Bay in Zhuhai) and Phase II of the Shenzhen Shazui Project (Phase II of Shenzhen Mangrove Bay No. 1 Project) into the harvesting phase gradually. While ensuring secured liquidity, the Group sought new development under ongoing reform and accordingly, it was well positioned as a leader among the urban renewal segment in the core cities of the GBA.

In terms of projects, the Baishizhou Urban Renewal Project (the "**Baishizhou Project**"), as the largest and most iconic urban renewal project for old villages in Shenzhen City, has been widely recognised by all sectors of the society due to its grand scale. The Baishizhou Project made good progress during the period. In the first half of 2022, the Group paid the land premium for the pre-sale land lot 08 of Phase I of the Baishizhou Project and obtained the land use rights certificate successfully, which has satisfied the conditions of drawing the bank loans for project development. In the first half of 2022, Phase I of the Baishizhou Project has commenced with the construction of the main body. According to the project schedule, the pre-sale is expected to commence in 2023. The Baishizhou Project is located at the north of Shennan Avenue, Nanshan District, Shenzhen City, with the total site area of approximately 0.46 million square meters, total gross floor area of approximately 5.0 million square meters and the planned capacity area of approximately 3.58 million square meters. The market property prices in the vicinity of the Baishizhou Project were in a range of approximately RMB0.12 million to approximately RMB0.15 million per square meter. Located in prestigious core district, the Baishizhou Project has an extremely high commercial value. In the first half of 2022, the Baishizhou Project was awarded the "Certificate of Material Project" by Shenzhen Municipal Development and Reform Commission, demonstrating the high recognition and support from the government and all sectors of the society for the Baishizhou Project. As the proverb goes, "Grinding a sword for ten years, only to test the sharp blade one day". The pre-sale of Phase I of the Baishizhou Project will be officially commenced in the coming year, which is expected to bring a leaping growth of income and cash flows to the Group, marking that LVGEM (China) will formally enter into a stage of rapid growth.

In order to develop Baishizhou into a world-class urban complex, during the first half of 2022, the Group has changed its intention for Phase IV of the Baishizhou Project to commercial support for rental and long-term investment purpose. Located in the core area of Nanshan District, Shenzhen, it is generally positioned as a top-tier landmark commercial building cluster in the GBA, and will prove its scarcity value. To enhance the urban value of the region, the planned construction of Phase IV of the Baishizhou Project includes a superior Grade A office building cluster. Thanks to its prime central location, the project is expected to become a core asset in the core area of Shenzhen and has long-term growth potential in terms of fair value, hence bringing sustainable rental yields to the Group. Following the completion of the commercial properties of the Baishizhou Project, the Group will witness a leapfrog growth in total gross floor area of commercial investment properties, which may then contribute stable cashflow and further consolidate the development model of the Group that focuses on both residential and commercial properties.

In addition, the contract rates of Liguang Project and Phase II of the Shazui Project (Phase II of Mangrove Bay No. 1 Project) have reached 100%. In particular, the operating entity of Phase II of the Mangrove Bay No. 1 Project has been confirmed and construction has been officially commenced. The conditions of pre-sale are expected to be satisfied in 2023, which will contribute to the increase in operating cash flows for the Group. The Zhuhai Dongqiao Project (LVGEM Royal Bay in Zhuhai), as the high-end residential project in the core luxurious residence zone of Nanwan, Xiangzhou, Zhuhai City, has proven its scarcity value. The sale was satisfactory since the market launch in October 2021, which ranked top ten many times on the hot-sale list of Xiangzhou District, Zhuhai City and became one of the hot offers in the region, thereby adding a new growth driver of the Group's revenue. As at the date hereof, the saleable inventory value of LVGEM Royal Bay in Zhuhai that has satisfied the conditions of pre-sale amounted to RMB5.9 billion, which will contribute steady sales income and increase the capital available for the Group.

During the period, being forward-looking with the visionary development strategy of "focusing on urban renewal in the GBA and developing a brand new smart city", the Group collaborated with information technology giants to build a new real estate ecosystem. The Group successively established long-term strategic partnerships with companies such as China Unicom and Huawei. Focusing on the large-scale urban renewal projects in Shenzhen, we commenced in-depth cooperation such as the master design, implementation and platform development of smart cities. With the aim of developing the Baishizhou Project into a smart city, the Group commenced detailed design for 5 themes, namely traffic, carpark, logistics, environmental sanitation, and 5G network. Based on the concept of smart "operation+management+service", the detailed design for 14 construction items in relation to the Phase I of Baishizhou Smart City has been in place, which will be gradually developed into a smart all-scenario system. With the properties as the core and technologies as the ancillary support, the Group put great efforts in the research and development of the management system of smart cities (UOP), while launching the modules of community digital platform contained in the system and applying them in 12 communities managed by the Company. It is expected to cover all communities, achieve full coverage of assets, customer services, properties and office work by further implementing the cross-cutting operation management in areas ranging from business to finance, and provide value-added services so as to meet the goal of integration of business and finance in 2022. At the same time, being boldly committed to the corporate responsibilities, the Group actively responded to the national strategy of carbon neutrality, explored the construction standards of low-carbon and zero-carbon urban areas with information technology giant partners, and devoted itself to the long-term national macro vision of carbon neutrality in an effort to make contribution for the green economy.

During the reporting period, adhering to the "two-pronged" development model of "residential and commercial", the Group held and operated the commercial properties located in the core areas of core cities of the GBA, which contributed diversified rental revenue and steady cash flows to the Group. Currently, the Group has established the commercial property presence represented by NEO Urban Commercial Complex and Zoll Shopping Centre, continued to increase the number of commercial property projects, steadily expanded the total gross floor areas under our operation and management and further developed its capabilities in high-quality commercial operation. With the expanding economic and market capacity and constant development of the core city clusters in the GBA, the envisaged long-term growth of the fair value of the existing core commercial properties is expected to enhance the quality of assets of the Group continuously.

In terms of financial structure, the Group proactively deployed various financing plans in order to effectively respond to the negative risks arising from the external environment in the first half of 2022. It continued to expand domestic and overseas diversified financing channels leveraging the quality assets, and steadily settled various short-term debts due within one year so as to safeguard the sound liquidity of the Group. On 7 June 2022, the Group published an announcement to disclose that 深圳市深全房地產開發有限公司 (Shenzhen Shenquan Real Estate Development Co., Ltd.*), an indirect non-wholly owned subsidiary of China Vanke Co., Ltd. ("**Vanke**"), would inject approximately RMB2.3 billion into 深圳市四達實業發展有限公司 (Shenzhen Sida Industrial Development Co., Ltd.*) ("**Sida Industrial**"), which holds the Baishizhou Project, signifying the introduction of the strategic shareholder into the Baishizhou Project. This has significantly enhanced the security of the Baishizhou Project and further increased the short-term liquidity of the Group. From the perspective of the strategic investment for long-term value, Vanke took a bullish view on the development of the Group in the long run and obtained the rights of dividend distribution from Phase III and IV of the Baishizhou Project at an appropriate consideration, making the alliance a win-win move for the two strong enterprises. Regarding this collaboration, DBS stated that "the major uncertainties of the company has been eliminated" and maintained a "Buy" rating for the Company. On the first trading date after the publication of the announcement, the share price of the Company climbed, showing that the collaboration with Vanke was highly recognised by the capital market. With the support of a series of financing arrangements and the launch of refinancing schemes during the first half of 2022, the financial structure of the Group has been further optimised and the debt level remained at a reasonable range, laying the solid foundation for unleashing the long-term value of the Group.

In terms of land reserve, for the six months ended 30 June 2022, the Group had land reserves of approximately 7.377 million square meters, approximately 78% of which are located in major cities in the GBA such as Shenzhen, Hong Kong, Zhuhai and Dongguan. Moreover, the land reserves owned by the controlling shareholder include projects in Shenzhen, Zhuhai and Zhang Mu Tou, Dongguan, all of which are located at core locations in the GBA. The existing land reserves are expected to be sufficient to support the growth of the Group in the coming ten years, which will safeguard the successful navigation of the Group throughout the industrial cycles.

During the first half of 2022, LVGEM (China)'s robust operation status and long-term development outlook were further recognised by the industry, and we were accredited as the "Top 10 Real Estate Development Enterprises in Shenzhen in terms of Comprehensive Strength", "Brand-value Enterprise among the Real Estate Development Enterprises in Shenzhen" and "Socially Responsible Enterprise among the Real Estate Development Enterprises in Shenzhen" by Shenzhen Real Estate Association in 2022. It is worth noting that the Group has won the "Top 10 Creditworthy Real Estate Enterprises in Shenzhen" consecutively since 2009 and the "Top 10 Real Estate Development Enterprises in Shenzhen in terms of Comprehensive Strength" consecutively since 2011, exhibiting its advantages in focused regional development. It is believed that in the future, the Group will capture the opportunities stemming from the trend of increasing advantages in the highly populated cities of China, thereby maintaining its sustainable growth.

Real Estate Development and Sales

Being the core business of the Group, the real estate development and sales projects were deployed based on the "dual-core" strategy and mainly located in the core areas of core cities of the GBA. For the six months ended 30 June 2022, the real estate development and sales of the Group generated revenue of approximately RMB496.7 million (six months ended 30 June 2021: RMB1,556.0 million), representing a decrease of approximately 68.1% year-on-year. During the reporting period, the carried-forward revenue was mainly generated from Joyful Town in Zhuhai, International Garden in Huazhou, Suzhou Joyful Garden and unsold properties in Shenzhen. The decrease in revenue was primarily attributable to the fact that the properties carried forward and sold during the period were mainly located in regions outside Shenzhen, which had a lower sales unit price and profit margin as compared to those of properties located in Shenzhen, coupled with the impact of the macro environment resulting from the decline in the overall price and volume of real estate transactions as well as the sluggish market. According to the statistics of a third-party institution, the average sales value recorded by the top 100 real estate enterprises in China in the first half of 2022 was halved year-on-year and experienced continuous negative growth month by month. Against this backdrop, the decrease in the sales revenue and contracted sales of the Group remained at a reasonable range. During the first half of the year, the total contracted sales based on the commodity housing purchase agreements amounted to approximately RMB2,554.8 million (six months ended 30 June 2021: RMB2,083.8 million), representing an increase of approximately 22.6% year-on-year. The Group continued to develop urban renewal projects with great potential during the period, including the Shenzhen Baishizhou Project, Phase II of the Zhuhai Dongqiao Urban Renewal Project (Royal Bay in Zhuhai), the Shenzhen LVGEM Liguang Project and Phase II of Shenzhen Shazui Project (Phase II of Mangrove Bay No. 1), all of which have made good progress.

Baishizhou Urban Renewal Project has attracted public attention since obtaining the approval from the competent authorities. The project is located at the north of Shennan Avenue, Nanshan District, Shenzhen, adjacent to the Science and Technology Park and the Overseas Chinese Town, which is the core area with the most development potential in Shenzhen currently. With a total gross floor area of approximately 5 million square meters and a total capacity area of approximately 3.58 million square meters, the project is a super-large complex development project that is extremely scarce in the core area in terms of site area and scale, and is accredited as the "Grand Urban Renewal Project" in Shenzhen in the industry. According to the layout plan, the project will be developed in four phases with development cycles ranging from eight to ten years. On 28 October 2019 and 25 August 2020, the Group indirectly acquired in aggregate approximately 80% equity interests in the Baishizhou Project. In 2021, the Group was confirmed as the construction entity and construction was officially commenced. In the first half of 2022, the Group has settled the land premium for the pre-sale land parcel 08 of Phase I of the Baishizhou Project and obtained the land use right certificate. The management of the Group has put great emphasis on the development and construction of Phase I of the Baishizhou Project with clear directive to expedite the work progress once the construction is commenced. Thanks to the dedication and hard work of all engineering departments, the construction of the project is underway in full swing. The earthwork was basically completed with an accumulated outbound of approximately 1.27 million cubic meters while the installation of 11 tower cranes was completed by the main contractor. Pre-sale is expected to commence in 2023, which is expected to provide a strong driving force for the Group's long-term development by generating substantial revenue and cash flows, marking a significant milestone of the Group in terms of scale growth and stable development.

LVGEM Mangrove Bay No. 1 Project is an iconic urban renewal project of the Group in recent years. The Phase I of the Mangrove Bay No. 1 Project is located at the southeast corner of the intersection of Shazui Road and Jindiyi Road in the central business district of Futian District, Shenzhen, having convenient access to public transport and strategically located in the proximity to Futian Port, Huanggang Port, Beijing-Hong Kong-Macao Expressway and Metro Lines 3, 4 and 7. The project, comprising three quality residential buildings and a quality complex of Grade A offices, hotels and apartments, occupies a site area of approximately 24,000 square meters and a planned total gross floor area of approximately 305,000 square meters, among which, the residential portion has a gross floor area of approximately 119,000 square meters. Phase I of the Mangrove Bay No. 1 Project was launched for sale on 13 October 2018 with the average selling price per square meter amounted to approximately RMB100,000, achieving a satisfactory sales performance. The contract rate of Phase II of the Mangrove Bay No. 1 Project reached 100% and the Group was officially confirmed to be the operating entity of the project in 2021. The Phase II includes five quality sea-view residential buildings with a site area of approximately 22,000 square meters and a planned total gross floor area of approximately 139,000 square meters. At present, Phase II of the Mangrove Bay No. 1 Project has commenced construction at the beginning of this year, and it is expected to fulfill the pre-sale conditions in 2023.

LVGEM Amazing Plaza is another urban upgrade and redevelopment project of the Group in Shenzhen City, which is mainly targeted at high-income, new middle-class groups in Shenzhen. As an integrated modelling zone for new mixed-use industrial towns, this project will be mainly used for industrial research and development and industrial support, supplemented by apartments, commercial buildings, and offices. The project is located at the north of Qiaoxiang Road, south of Beihuan Road, east of the intersection of Qiaoxiang Road and Beihuan Road as well as west of Qiaochengfang in Shenzhen. The project occupies a site area of approximately 10,000 square meters and a total gross floor area of approximately 97,000 square meters. The project was launched for the first time in September 2019, and sought after by white-collar workers and gold-collar workers in Shenzhen, with the first batch of flats occupied in June 2019. The project contributed contracted sales of approximately RMB58.9 million and recognised sales revenue of approximately RMB94.1 million during the reporting period.

LVGEM Liguang Project is a residential, commercial and industrial high-end complex project. The project occupies a site area of approximately 85,000 square meters and a total gross floor area of approximately 382,000 square meters. The project is located in a well-established residential district in Liguang Village, Guanlan Town, Longhua New District, Shenzhen City, adjacent to the Mid Valley Clubhouse of the Mission Hills Golf Club. It possesses a prestigious scenic view of the natural environment and enjoys a comfortable climate. Taking into consideration the surrounding environment and the living needs of the community, the project plan includes the development of a special commercial district at the west side of the region, as well as the Liguang Ecological Park on the grassland at the east side. During the reporting period, the project planning and pre-construction preparations were in progress smoothly with the contract rate reached 100%.

Zhuhai Dongqiao Urban Renewal Project is one of the three pilot urban renewal villages in Zhuhai City and has been repeatedly listed as the annual key urban development task of Zhuhai City. In 2019, the Group has officially become the operating entity of the renewal project for the old village in Dongqiao and obtained all necessary administrative approvals. This project marks an important milestone of LVGEM (China) in terms of the urban renewal development and operation in Zhuhai. Located in the sub-district of Nanwan, Zhuhai City, the project occupies a total site area of approximately 207,000 square meters with a planned total gross floor area of approximately 765,000 square meters. The project also comprises high-end residences, featured hotels, street-level cultural regions and other industrial functions with well-established ancillary facilities. Currently, the presale of the project has commenced in October 2021, which contributed revenue and cashflow to the Group. For the six months ended 30 June 2022, the project contributed contracted sales of approximately RMB1,765.8 million.

LVGEM Joyful Town Project is located in the former Dongda Kaiwei Science Park, which is west of Mingzhu Station of the urban railway on Mingzhu North Road in Xiangzhou District, Zhuhai City. With a planned total gross floor area of 450,000 square meters, the project is positioned to comprise an international Grade A office building, apartment (hotel-serviced offices), residential and commercial complex. The project was launched for sale in September 2019. For the six months ended 30 June 2022, contracted sales of the project amounted to approximately RMB240.0 million, and recognised sales revenue was approximately RMB241.1 million during the period.

LVGEM International Garden is located in Huazhou, Maoming, Guangdong Province. Situated in a well-developed traditional residential area, it is in proximity to the Juzhou Park and is well-served by public transport network. The project occupies a site area of approximately 836,000 square meters and a planned total gross floor area of approximately 2.248 million square meters. Leveraging the advantages such as excellent geographical location, good ecological environment and established ancillary educational facilities, the project has become a benchmark real estate project in Huazhou. For the six months ended 30 June 2022, the total contracted sales of LVGEM International Garden amounted to approximately RMB478.4 million and recognised sales revenue was approximately RMB29.1 million.

Hong Kong Lau Fau Shan Project is the Group's first real estate development project in Hong Kong, which marks the first move in stepping up its international project layout and establishing the overseas presence of LVGEM (China). The project is located at Deep Bay Road, Lau Fau Shan, Hong Kong. It occupies a site area of approximately 80,000 square meters, comprising approximately 116 low-density waterfront villas. Embracing prime sea view and overlooking Deep Bay, the project is geographically prestigious and adjacent to Shenzhen with easy access to and from Mainland China. Further, benefited from the proximity to Hung Shui Kiu development area, the project is expected to see a further uptick in commercial value.

Commercial Property Investment and Operations

The Group is committed to adopting the "two-pronged" business model of integrating residential and commercial properties to guide the development of complex projects. The ancillary services of commercial properties will have a value-added effect of "1+1>2" compared to single property development business, hence injecting intrinsic momentum for urban development. After years of strategic planning, the Group has made remarkable progress in establishing various large-scale commercial complexes, shopping malls and other investment properties, represented by two major commercial brands, namely "NEO" and "Zoll". In January 2022, Zoll Mangrove Shopping Centre staged its grand opening, which marked another significant addition to the Zoll series. Recognised as a landmark project in Huazhou, the "Haoxin Huazhou Food Street" has commenced promotion for leasing in the first half of 2022. As of 30 June 2022, the Group held over 30 quality commercial property projects, comprising a total gross floor area of approximately 1,635,686 square meters. The revenue generated from commercial property investment and operations amounted to approximately RMB338.3 million (six months ended 30 June 2021: RMB331.2 million), representing an increase of approximately 2.1% year-on-year.

Shenzhen NEO Urban Commercial Complex is strategically located in the western region of central Futian District, a core central business district in Shenzhen. It is elected as "one of the ten major landmarks of Shenzhen" and is a key urban and commercial landmark in Shenzhen. NEO Urban Commercial Complex has a total gross floor area of approximately 253,000 square meters and a total lettable area of approximately 121,000 square meters. It has easy access to public transport located at the intersection of four Metro Lines 1, 7, 9 and 11. The high-quality corporate tenants of Grade A office building comprise offices and branches of various Fortune Global 500 companies, banks, telecommunication corporations and other State-owned enterprises. During the period, Shenzhen LVGEM NEO made proactive efforts to mitigate the negative impacts of the pandemic and adjusted its operation strategies in a timely manner. As of 30 June 2022, the average occupancy rate of NEO Urban Commercial Complex was approximately 91% (six months ended 30 June 2021: 87%).

Hong Kong LVGEM NEO Project is located in "Kowloon East CBD 2", the new central business district in Hong Kong, occupying a site area of approximately 4,500 square meters and a planned total gross floor area of approximately 55,000 square meters. This is the first office building project of LVGEM (China) in Hong Kong, marking the further expansion of the Group's influence in the GBA to Hong Kong. In July 2019, the handover of Hong Kong LVGEM NEO was completed and the operation officially commenced on 8 October 2019. As a superior Grade A office building with full sea view, Hong Kong LVGEM NEO effectively countered the adverse impacts posed by the social movement in 2019 and the pandemic since 2020 by virtue of its prime geographical location and beautiful office environment. The advantages of quality assets have become apparent, as evidenced by the steady growth in occupancy rate. As of 30 June 2022, the occupancy rate of the property was over 70% (six months ended 30 June 2021: approximately 60%). Renowned tenants include China Ping An Insurance (Hong Kong), FTLife Insurance and Casetify. The Group believed that as the Hong Kong government gradually implemented the development plan for East Kowloon, the fair value of Hong Kong LVGEM NEO will be further driven up in the future by the successive completion of transportation infrastructure and improving commercial ancillary facilities, hence bringing steady rental income and long-term capital gains to the Group.

Zoll Shopping Mall is a comprehensive lifestyle and fashion shopping centre. As of 30 June 2022, the Group owned and operated LVGEM Zoll Chanson Shopping Mall, LVGEM 1866 Zoll Shopping Mall, LVGEM Zoll Hongwan Shopping Mall, LVGEM Zoll International Garden Shopping Mall, LVGEM Zoll Jinhua Shopping Mall and LVGEM Zoll Yuexi Shopping Mall. In the first half of 2022, the grand opening of Zoll Mangrove Shopping Centre further boosted the commercial value of the district. As at 30 June 2022, the overall occupancy rate was approximately 92%.

Comprehensive Services

The Group provided comprehensive services to customers and tenants of its residential and commercial properties, including property management services, hotel operations and others. For the six months ended 30 June 2022, the comprehensive services of the Group generated revenue of RMB210.1 million (six months ended 30 June 2021: RMB143.1 million), representing a growth of approximately 46.8% year-on-year. During the reporting period, the Shenzhen Group extended the reach of its hotel management services to Double-Moon Bay, a renowned holiday destination in Huizhou, Guangdong Province, with a view to pursuing steadfast development with balanced emphasis on both light and heavy assets.

In respect of hotel operations, the LVGEM Hotel of the Group is located in the central business district of Futian District, Shenzhen. In response to the regular pandemic prevention and management measures of the government, the Group took the initiative to shoulder its corporate responsibility. In the first half of 2022, the LVGEM Hotel was requisitioned as a government center for epidemiological investigation, thereby helping the government to exercise stringent control over the spread of the COVID-19 pandemic and putting efforts into safeguarding people's lives and safety. During such period, the LVGEM Hotel was fully occupied and recognised a revenue of RMB51.82 million, which outperformed the result in recent years.

Meanwhile, the Group provided comprehensive property management services for most of its property development projects, including security services, property maintenance and management of ancillary facilities, which comprised a total gross floor area of approximately 3.21 million square meters. Shenzhen LVGEM Property Management Co., Ltd., a subsidiary of the Group, obtained the ISO9001:2008 certification for its quality system of property management services and the Level A property management qualification. As property owners seek high-quality and refined property services, property management services and value-added services have become more mature. Looking ahead, property management companies will strive to provide a safe, efficient, practical and convenient living environment for community residents and foster a new form of community, in a bid to contribute sustainable revenue growth for the Group.

Financing

During the reporting period, in response to the difficulties in real estate financing, both the central government and various ministries and commissions have given positive indications that moderate adjustments would be made under the main theme of "prudent management for real estate finance" with marginal relaxation based on the actual financing demand of enterprises. A number of policies to ease regulatory restrictions on financing of real estate enterprises have been introduced successively. Against such backdrop, the Group gave full play to the diverse domestic and overseas financing means and proactively prepared for debt repayment and refinancing schemes with a view to continuously lowering its debt level, as well as securing sufficient capital and maintaining sound liquidity for the development of the Group.

During the first half of 2022, the Group successfully settled three convertible bonds with an aggregate amount of US$142 million by a combination of repayment and roll over. Among which, US$50 million of the convertible bonds were rolled over pursuant to its original terms, which is the first convertible bonds being rolled over successfully in the market during the year. The Group maintained a simple and clear debt structure that mainly comprised bank and other loans with no off-balance sheet liabilities, which reflected its high level of security. It is also worth noting that the Group successfully introduced Vanke as a strategic investor to the Baishizhou Project in the first half of the year. As one of the leading companies in the real estate industry in China and a long-term cornerstone investor of the Group with strong capabilities, Vanke's participation in the Baishizhou Project represents a strong alliance with the Group and would hence further enhance the safety and market acceptance of the project. As discussed in the June Announcement, pursuant to the subscription agreement, Vanke will make a capital injection of approximately RMB2.3 billion into Sida Industrial, which holds the Baishizhou Project. Upon completion of the transaction, the Group's equity interests in Sida Industrial held through ICDL were diluted from 100% to approximately 92%, while Vanke holds approximately 8% of the equity interests. During the period, the Group actively lowered the debt level and diversified the financing channels in a bid to capitalizing on the financing opportunities emerging from the favourable industry policies, thereby ensuring the security of the Group's cash flows.

Future Prospect

During the first half of 2022, while the COVID-19 pandemic remained prevalent, the global economies were recovering at varying paces, which has widened the chasm among various regions. The outbreak of geopolitical crisis, coupled with the volatility and uncertainties in the global economy, has presented the world with profound changes unseen in the century. Amidst the global upheaval, China cut through difficulties and actively assumed its responsibility as a major country on the international front, while "safeguarding economy and people's livelihood" within the country so as to maintain the stability of the overall economy and sustain the long-term development trend of steady progress with its best efforts. Meanwhile, the real estate industry pursued stability as top priority. Fueled by positive industry policies in the first half of the year, the real estate industry has achieved a soft landing in the PRC and further reinforced the long-term development mechanism for the industry.

Upholding the spirit of "The greatest theory is always the simplest, and concrete actions are the top priority", all staff of LVGEM (China) worked in solidarity to race against time and keep progress on track. Various urban renewal projects were progressing steadily, in particular, the construction progress of Phase I of the Baishizhou Project, the so-called "Grand Urban Renewal Project in Shenzhen", was in line with expectations, and will be entering into the harvest stage. By that time, the Group is expected to see leaping growth in its results and significant enhancement of brand value. Looking forward, adhering to the strategic guideline of "focusing on urban renewal in the GBA and developing a brand new smart city", the Group will further promote the urban renewal projects in Shenzhen, Zhuhai, Hong Kong, Dongguan and other core regions to advance towards maturity, with an aim to setting up a demonstrative smart city benchmark with smart technologies incorporated into high-end living environments to upgrade the living standards of urban residents. By undertaking every urban renewal and construction project with love and dedication, the Group has created joyful urban lifestyles for people residing in the GBA.

The year 2022 marked the third year since the promulgation of the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" (《粵港澳大灣區發展規劃綱要》). Pursuant to the Outline Plan, 2022 will be a critical year for the GBA in formulating the fundamental framework for developing itself into a leading international bay area and a world-class city cluster. The Chinese government will continue to support acceleration of industrial upgrade and establishment of modern industrial systems in the GBA, at the same time expediting intercity connection and deepening the cooperation between Guangzhou, Hong Kong and Macau in furtherance of the development of a new landscape under the opening-up of the economy. Deeply rooted in the GBA for 30 years, the Group has witnessed the transformation of the GBA from a city of low-end processing industry to a city of technological innovation with continuous influx of high-caliber talents. With the scale of the economy expanding considerably, the GBA has been ushered into a stage of rapid growth and evolved from a remote and divided mountainous city cluster into a regional economy. In the future, the Group will seize the vast development opportunities arising from the market capacity expansion of the GBA by staying focused on high-value land resources in the core cities and core districts. Taking "continuously enhancing the value of cities" as its mission and "being the most respected city value-creator in the PRC" as its vision, the Group will proactively engage in the strategic development and construction projects of the PRC, aiming to infuse vitality to the renewal and development of modern cities, deliver sustainable socioeconomic benefits and establish itself as a well-recognised real estate brand in the GBA.

Looking forward into the second half of 2022, with the progressive unwinding of regulatory policies on the real estate market in Mainland China, contract sales data will stabilize and rebound. It is believed that, with market recovery, the capital pressure faced by real estate enterprises will be relieved gradually and the positive macroeconomic policies will be implemented throughout the year of 2022. The Group will adopt the main theme of "Focused and Prudent Development to Secure Sustainable Growth" and monitor changes in the macro environment in a timely manner so as to actively seize the structural opportunities arising in the real estate market based on the "small but magnificent" development approach. Strong waves wash away the sand and those remain are golden winners! With flexible and prudent financial policies, the Group will steadily push forward various urban renewal projects and develop high quality real estates, endeavoring to overcome obstacles and difficulties to develop itself into a real estate operator with sound reputation in the GBA for urban renewal projects, and deliver valuable returns to the investors in the long term.

Financial Review

Revenue

The Group's revenue mainly comprised of revenue from sales of properties held for sale, leasing of investment properties and comprehensive services. The Group's revenue for the six months ended 30 June 2022 was approximately RMB1,045.0 million (six months ended 30 June 2021: RMB2,030.3 million), representing a decrease of approximately 48.5% as compared to the corresponding period last year, which was mainly attributable to the decrease in revenue from sales of properties held for sale.

	Six months ended 30 June		**Increase/ (decrease)**	
	2022	2021		
	RMB'000	*RMB'000*	*RMB'000*	*%*
Real estate development and sales	**496,668**	1,555,986	(1,059,318)	-68.1
Commercial property investment and operations	**338,270**	331,179	7,091	2.1
Comprehensive services	**210,096**	143,148	66,948	46.8
Total	**1,045,034**	2,030,313	(985,279)	-48.5

For the six months ended 30 June 2022, the revenue from sales of properties held for sale was approximately RMB496.7 million (six months ended 30 June 2021: RMB1,556.0 million), representing a decrease of approximately 68.1% as compared to the corresponding period last year, which mainly includes the sales of LVGEM Joyful Town, LVGEM Amazing Plaza and LVGEM Mansion 1898. The Group's total gross floor area of properties held for sale sold during the six months ended 30 June 2022 was approximately 24,300 square meters (six months ended 30 June 2021: approximately 55,700 square meters).

Revenue from leasing of investment properties for the six months ended 30 June 2022 was approximately RMB338.3 million (six months ended 30 June 2021: RMB331.2 million). The Group's commercial properties are all located in core areas. The increase was mainly due to the higher occupancy rate of Hong Kong LVGEM NEO as compared to the corresponding period last year and the opening of Zoll Mangrove Shopping Centre in January 2022. The properties are mainly operated under the brands of "Zoll" and "NEO". The occupancy rate of investment properties for the six months ended 30 June 2022 remained at a high level at 91% (six months ended 30 June 2021: 90%). The occupancy rate of Hong Kong LVGEM NEO as at 30 June 2022 was over 70% (six months ended 30 June 2021: approximately 60%).

The Group provides comprehensive services to customers and tenants of its residential and commercial properties. These comprehensive services include property management services, hotel operations, renovations and others. During the six months ended 30 June 2022, comprehensive services of the Group generated revenue of RMB210.1 million (six months ended 30 June 2021: RMB143.1 million), representing an increase of approximately 46.8% as compared to the corresponding period last year. The increase was mainly attributable to the increase of the service area of community under the management of the Group and revenue generated from the LVGEM Hotel being requisitioned as a government center for epidemiological investigation during the review period.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2022, the Group's integrated gross profit was approximately RMB434.4 million (six months ended 30 June 2021: RMB963.5 million), representing a decrease of approximately 54.9% as compared to corresponding period last year, and the integrated gross profit margin for the six months ended 30 June 2022 was 42% (six months ended 30 June 2021: 48%). The fluctuation of gross profit margin was mainly caused by the revenue recognised under different project portfolio. In 2021, 51% of revenue for the six months ended 30 June 2021 was contributed by the projects located in Shenzhen, with higher selling prices as compared to those in Zhuhai and Suzhou while only 19% of revenue for the six months ended 30 June 2022 was derived from the projects in Shenzhen.

Selling Expenses

For the six months ended 30 June 2022, selling expenses of the Group amounted to approximately RMB56.9 million (six months ended 30 June 2021: RMB72.2 million), representing a decrease of approximately 21.2% as compared to the corresponding period last year. The decrease was mainly attributable to the effective cost control on the sales commission during the current period under review.

Administrative Expenses

For the six months ended 30 June 2022, administrative expenses of the Group amounted to approximately RMB216.6 million (six months ended 30 June 2021: RMB227.5 million), representing a decrease of approximately 4.8% as compared to the corresponding period last year. The decrease was mainly attributable to the certain one-off legal and professional fee incurred in 2021 and no such expenses incurred during the current period under review.

Recognition of change in fair value of properties under development for sale/properties held for sale upon transfer to investment properties and Fair Value Changes on Investment Properties

The valuation on the Group's investment properties as at 30 June 2022 was conducted by an independent property valuer which resulted in a recognition of positive change in fair value of properties under development for sale/properties held for sale upon transfer to investment properties and positive fair value changes on investment properties of approximately RMB2,310.7 million and approximately RMB175.5 million for the six months ended 30 June 2022 respectively (six months ended 30 June 2021: positive fair value changes of RMB1,378.1 million and negative fair value changes of RMB128.7 million respectively). The positive change in fair value of properties under development for sale/properties held for sale upon transfer to investment properties mainly arise from change of intention for Phase IV of the Baishizhou Project to commercial support for rental and long term investment purpose.

Finance Costs

For the six months ended 30 June 2022, finance costs of the Group amounted to approximately RMB787.6 million (six months ended 30 June 2021: RMB833.7 million), representing a decrease of approximately 5.5% as compared to the corresponding period last year.

The decrease in finance costs was mainly due to the commencement of interest capitalisation in relation to the Baishizhou Project. The Group's average finance cost of interest-bearing loans was 6.5% for the six months ended 30 June 2022 (six months ended 30 June 2021: 6.5%).

Income Tax Expense

For the six months ended 30 June 2022, income tax expense of the Group amounted to approximately RMB784.3 million (six months ended 30 June 2021: RMB568.2 million). The Group's income tax expense included payments and provisions made for EIT and LAT and the deferred tax mainly provided for the change in fair value of investment properties during the period under review. The increase of income tax expense was mainly attributable to the positive fair value changes on investment properties during the current period under review, resulting a provision of deferred tax.

Operating Results

For the six months ended 30 June 2022, the profit attributable to owners of the Company was approximately RMB630.8 million (six months ended 30 June 2021: RMB638.0 million), representing a decrease of approximately 1.1% as compared to the corresponding period last year.

Liquidity, Financial Resources and Gearing

Bank balances and cash as at 30 June 2022 amounted to approximately RMB5,731.9 million (including restricted bank deposits) (31 December 2021: RMB7,287.1 million). The Group's bank balances and cash are denominated in RMB, Hong Kong Dollar ("**HK$**") and United States Dollar ("**US$**").

The Group had total borrowings of approximately RMB32,761.4 million as at 30 June 2022 (31 December 2021: RMB31,187.7 million). Borrowings classified as current liabilities were approximately RMB12,560.1 million (31 December 2021: RMB9,851.6 million).

Breakdown of total borrowings

By currency denomination

	At 30 June 2022 *RMB'000* **(Unaudited)**	At 31 December 2021 *RMB'000* (Audited)
Denominated in RMB	**16,590,345**	15,259,886
Denominated in HK$	**8,905,121**	8,532,416
Denominated in US$	**7,265,983**	7,395,401
	32,761,449	31,187,703

By fixed or variable interest rates

	At 30 June 2022 *RMB'000* **(Unaudited)**	At 31 December 2021 *RMB'000* (Audited)
Fixed interest rates	**11,530,739**	11,511,120
Variable interest rates	**21,230,710**	19,676,583
	32,761,449	31,187,703

The Group's gearing ratio as at 30 June 2022 was 89.4% (31 December 2021: 81.2%), which was based on net debt (total interest-bearing loans net of bank balances and cash (including restricted bank deposits)) over total equity.

Current, Total and Net Assets

As at 30 June 2022, the Group had current assets of approximately RMB46,535.5 million (31 December 2021: RMB52,592.9 million) and current liabilities of approximately RMB22,354.2 million (31 December 2021: RMB19,171.7 million), which represented a decrease in net current assets from approximately RMB33,421.2 million as at 31 December 2021 to approximately RMB24,181.3 million as at 30 June 2022. Such decrease was mainly due to the reclassification of US$ denominated senior notes with aggregate principal amount of US$470,000,000 from non-current liabilities to current liabilities and the decrease in properties under development for sale resulted from the transfer of certain commercial portion of the Baishizhou Project recorded in properties under development for sale to investment properties.

As at 30 June 2022, the Group recorded total assets of approximately RMB89,138.5 million (31 December 2021: RMB84,942.1 million) and total liabilities of approximately RMB58,888.6 million (31 December 2021: RMB55,501.3 million), representing a liabilities to assets ratio of 66.1% (31 December 2021: 65.3%). Net assets of the Group were approximately RMB30,250.0 million as at 30 June 2022 (31 December 2021: RMB29,440.8 million).

For the six months ended 30 June 2022, the Group was able to utilise its internal resources and debt and equity financing to meet the funding requirements for the development of real estate projects.

Charge on Assets

For the six months ended 30 June 2022, loans of approximately RMB25,458.3 million (31 December 2021: RMB23,541.3 million) were secured by properties under development for sale, properties held for sale, investment properties, properties, plant and equipment, equity instruments at fair value through other comprehensive income and pledged deposits of the Group respectively in the total amount of approximately RMB29,686.6 million (31 December 2021: RMB28,536.2 million).

Material Acquisition and Disposal

During the six months ended 30 June 2022, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

Contingent Liabilities

As at 30 June 2022, the Group had financial guarantee contracts relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB2,099.6 million (31 December 2021: RMB1,814.4 million). Pursuant to the terms of the guarantees, if there is default on the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks.

The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyer obtaining the individual property ownership certificate or the full settlement of mortgage loan by the buyer.

The Directors consider that it is not probable for the Group to sustain a loss under these mortgage guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties under default to recover any amounts paid by the Group to the banks. The Group has not recognised these guarantees as their fair value at initial recognition is considered to be insignificant by the directors of the Company. The Directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event that the purchasers default payments to the banks for their mortgage loans. The Directors consider that it is not probable for the Group to sustain a loss under the guarantee for the independent third party as during the periods under guarantee due to its sound credit worthiness, financial position and historical repayment records.

Exposure to Fluctuations in Exchange Rates and Related Hedges

Almost all of the Group's operating activities are carried out in China with most of the transactions denominated in RMB. The Group is exposed to foreign currency risk arising from the exposure of HK$ and US$ against RMB as a result of certain cash balances and loans in HK$ or US$.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting appropriate foreign currency hedging policy in the future.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 30 June 2022, the Group had a staff roster of 2,421 (30 June 2021: 2,286), of which 2,395 (30 June 2021: 2,258) employees were based in the mainland China and 26 (30 June 2021: 28) employees were based in Hong Kong. The remuneration of employees was in line with the market trends and commensurate to the levels of remuneration in the industry. Remuneration of the Group's employees includes basic salaries, bonuses, retirement scheme and long-term incentives such as share options within an approved scheme. In addition, training and development programmes are provided to the Group's employees on an on-going basis throughout the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

Throughout the six months ended 30 June 2022, the Group complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The Directors confirmed that they have complied with the required standard as set out in the Model Code for the six months ended 30 June 2022.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim results of the Group for the six months ended 30 June 2022 have also been reviewed by the members of the audit committee of the Company before submission to the Board for approval. The audit committee of the Company was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The auditor of the Company, Deloitte Touche Tohmatsu, has performed an independent review on the interim financial report for the six months ended 30 June 2022 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is an extract of the independent auditor's report ("**Auditor's Report**") on review of the Group's interim financial information for the six months ended 30 June 2022 which has included a material uncertainty related to going concern paragraph, but without qualification:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with HKAS34.

Material Uncertainty Related to Going Concern

We draw attention to note 1 to the condensed consolidated financial statements, which indicates that the Group has borrowings of RMB6,966 million and convertible bonds of RMB366 million approaching maturity and due for repayment or renewal in the coming twelve months from the end of the reporting period, and convertible bonds of RMB545 million with the early redemption options and domestic corporate bonds of RMB1,396 million, of which RMB509 million were retracted by the bondholders in August 2022, and which the remaining RMB887 million with retractable options, in the coming twelve months from the end of the reporting period. In addition, the Group has public senior notes with carrying amount of RMB3,288 million which will be matured on 10 March 2023. The Group might not have sufficient working capital to operate if such borrowings, convertible bonds and public senior notes are required to be repaid or redeemed and all other alternative operating and financing plans as described in note 1 to the condensed consolidated financial statements cannot be implemented as planned. The directors of the Company are of the opinion that based on the assumptions that the borrowings, convertible bonds and public senior notes can be renewed and those plans can be successfully executed, the Group will have sufficient working capital to maintain its operations and to pay its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. However, the likelihood of successful renewal of borrowings, convertible bonds and public senior notes and implementation of those plans as set forth in note 1 to the condensed consolidated financial statements indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The aforesaid "note 1 to the condensed consolidated financial statements" in the extract from the Auditor's Report is disclosed as note 1 to this announcement.

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 2022.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2022, the Group did not make any other significant investments, acquisitions or disposal that would constitute a discloseable transaction under Chapter 14 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Except for the matters disclosed under the "Management Discussion and Analysis" section of this announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2022 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The contents of results announcement are published on the websites of the Company (www.lvgem-china.com) and the Stock Exchange (www.hkex.com.hk). The 2022 Interim Report will be dispatched to shareholders of the Company in due course.

GENERAL INFORMATION

As at the date of this announcement, the Board comprises Ms. HUANG Jingshu (Chairman), Mr. TANG Shouchun (Chief Executive Officer), Mr. YE Xingan, Mr. HUANG Hao Yuan and Ms. Li Yufei as executive directors; and Mr. WANG Jing, Ms. HU Gin Ing and Mr. MO Fan as independent non-executive directors.

By order of the Board
LVGEM (China) Real Estate Investment Company Limited
HUANG Jingshu
Chairman

Hong Kong, 30 August 2022

* *For identification purposes only*