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大悦城控股  
GRANDJOY



中糧  
COFCO  
自然之源 糧望你我

**JOY CITY PROPERTY LIMITED**

**大悦城地產有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 207)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**HIGHLIGHTS**

- Total operating revenue amounted to RMB9,134.3 million, representing a year-on-year increase of 95.5%, of which revenue from property development totalled RMB7,077.9 million, representing a year-on-year increase of 230.9%.
- Contracted sales amounted to RMB16,297 million, representing a year-on-year increase of 33.4%, and contracted sales area was 403,013 sq.m., representing a year-on-year increase of 29.3%.
- Profit attributable to owners of the Company amounted to RMB866.1 million, representing a year-on-year increase of 41.2%. Excluding the after-tax fair value gain of investment properties and the effect of exchange rate changes, the core net profit attributable to owners of the Company for the period was RMB918.5 million, representing a year-on-year increase of 28.6%.
- The Group's average borrowing cost stood at 3.90%, representing a year-on-year decrease of 0.17 percentage point, which was due to its continuous efforts to reduce financing costs through optimizing its capital structure and maintaining good relationships with banks.

## INTERIM RESULTS

The board of directors (the “**Board**”) of Joy City Property Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 together with the comparative figures for the six months ended 30 June 2021.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Six Months Ended 30 June 2022

	NOTES	Six months ended	
		30.06.2022 RMB'000 (Unaudited)	30.06.2021 RMB'000 (Unaudited)
Revenue	4		
Contracts with customers		7,820,373	2,863,071
Leases		1,313,903	1,809,003
		<hr/>	<hr/>
Total revenue		9,134,276	4,672,074
Cost of sales and services rendered		(5,042,352)	(2,532,376)
		<hr/>	<hr/>
Gross profit		4,091,924	2,139,698
Other income	5	112,895	163,403
Other gains and losses, net	6	(42,040)	57,523
Impairment losses under expected credit loss model, net of reversal	13	(5,531)	(7,748)
Distribution and selling costs		(349,511)	(242,836)
Administrative expenses		(404,534)	(413,118)
Fair value loss on:			
investment properties		(25,590)	(76,400)
financial liabilities at fair value through profit or loss		(9,210)	(10,223)
Finance costs	7	(562,726)	(380,533)
Share of (losses) profits of associates		(1,483)	9,292
Share of (losses) profits of joint ventures		(33,088)	150,586
		<hr/>	<hr/>
Profit before tax	8	2,771,106	1,389,644
Income tax expense	9	(1,214,303)	(439,019)
		<hr/>	<hr/>
Profit for the period		1,556,803	950,625
		<hr/>	<hr/>
Profit for the period attributable to:			
Owners of the Company		866,086	613,507
Holder of perpetual capital instruments		172,381	198,591
Non-controlling interests		518,336	138,527
		<hr/>	<hr/>
		1,556,803	950,625
		<hr/> <hr/>	<hr/> <hr/>
Basic and diluted earnings per share	10	RMB5.7 cents	RMB4.0 cents
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# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Six Months Ended 30 June 2022

	Six months ended	
	30.06.2022	30.06.2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	<u>1,556,803</u>	<u>950,625</u>
<b>Other comprehensive income/(expenses):</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation	(305,880)	33,246
Fair value gain on hedging instruments designated in cash flow hedges	<u>266,327</u>	<u>107,285</u>
Other comprehensive (expense) income for the period	<u>(39,553)</u>	<u>140,531</u>
<b>Total comprehensive income for the period</b>	<b><u>1,517,250</u></b>	<b><u>1,091,156</u></b>
Total comprehensive income for the period attributable to:		
Owners of the Company	811,003	747,176
Holder of perpetual capital instruments	172,381	198,591
Non-controlling interests	<u>533,866</u>	<u>145,389</u>
	<b><u>1,517,250</u></b>	<b><u>1,091,156</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 JUNE 2022

	<i>NOTES</i>	<b>30.06.2022</b> <b>RMB'000</b> <b>(Unaudited)</b>	31.12.2021 <i>RMB'000</i> <b>(Audited)</b>
<b>Non-current assets</b>			
Investment properties		<b>62,825,239</b>	61,157,220
Property, plant and equipment		<b>3,174,749</b>	3,283,793
Right-of-use assets		<b>1,587,657</b>	1,614,264
Intangible assets		<b>114,799</b>	107,732
Interests in associates		<b>115,780</b>	117,264
Interests in joint ventures		<b>6,196,428</b>	6,229,516
Loans to associates		<b>1,562,490</b>	832,613
Hedging instruments		<b>172,084</b>	–
Financial assets at fair value through profit or loss		<b>510</b>	510
Goodwill		<b>184,297</b>	184,297
Deposits		<b>178,213</b>	185,892
Deferred tax assets		<b>227,200</b>	186,345
		<b>76,339,446</b>	73,899,446
<b>Current assets</b>			
Inventories		<b>13,955</b>	14,176
Properties held for sale		<b>8,107,038</b>	7,597,916
Properties under development for sale		<b>34,988,140</b>	32,691,200
Accounts receivable	<i>12</i>	<b>172,675</b>	120,189
Contract costs		<b>53,410</b>	68,839
Deposits, prepayments and other receivables		<b>2,976,511</b>	3,063,217
Amounts due from fellow subsidiaries		<b>33,239</b>	52,127
Amounts due from non-controlling interests		<b>49,804</b>	48,659
Amounts due from joint ventures		<b>79,197</b>	33,434
Amounts due from associates		<b>693,263</b>	652,931
Loans to an associate		<b>64,250</b>	771,938
Loan to a non-controlling interest		<b>1,020,000</b>	1,020,000
Tax recoverable		<b>377,908</b>	500,476
Hedging instruments		<b>188,899</b>	230
Restricted bank deposits		<b>68,048</b>	127,216
Pledged deposits		<b>5,504</b>	5,500
Cash and bank balances		<b>12,943,410</b>	10,352,897
		<b>61,835,251</b>	57,120,945
<b>TOTAL ASSETS</b>		<b>138,174,697</b>	131,020,391

		<b>30.06.2022</b>	31.12.2021
	<i>NOTES</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>Current liabilities</b>			
Accounts payable	14	7,718,507	5,276,556
Other payables and accruals		6,444,396	5,355,517
Contract liabilities		11,793,689	12,320,127
Lease liabilities		88,441	60,466
Amount due to the ultimate holding company		8	28
Amount due to an intermediate holding company		571	660
Amount due to the immediate holding company		–	15,550
Amounts due to non-controlling interests		307,666	367,599
Amounts due to an associate		103,254	202,510
Amounts due to joint ventures		476,576	336,707
Amounts due to fellow subsidiaries		284,010	94,469
Loans from fellow subsidiaries		368,717	996,486
Loans from non-controlling interests		1,530,018	1,953,326
Loans from joint ventures		–	2,524,800
Loans from third parties		22,680	1,211,694
Bank borrowings		9,219,373	8,400,146
Income tax and land appreciation tax payables		798,271	708,889
Deferred income		1,498	1,538
Bonds payable		950,248	1,576,267
Hedging instruments		3,905	118,840
		<u>40,111,828</u>	<u>41,522,175</u>
<b>Net current assets</b>		<u>21,723,423</u>	<u>15,598,770</u>
<b>Total assets less current liabilities</b>		<u>98,062,869</u>	<u>89,498,216</u>
<b>Non-current liabilities</b>			
Other payables and accruals		1,052,270	994,181
Lease liabilities		150,028	188,003
Loans from non-controlling interests		324,373	–
Loans from a joint venture		5,324,800	–
Loans from fellow subsidiaries		1,117,500	768,558
Loans from third parties		7,805,097	6,372,633
Bank borrowings		12,078,119	12,776,484
Deferred tax liabilities		8,118,593	7,930,053
Bonds payable		2,965,781	2,409,314
Hedging instruments		5,635	39,570
		<u>38,942,196</u>	<u>31,478,796</u>
<b>Net assets</b>		<u>59,120,673</u>	<u>58,019,420</u>

		<b>30.06.2022</b>	31.12.2021
	<i>NOTES</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>1,122,414</b>	1,122,414
Reserves		<b>29,537,131</b>	28,735,697
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>30,659,545</b>	29,858,111
Perpetual capital instruments		<b>8,090,659</b>	8,311,498
Non-controlling interests		<b>20,370,469</b>	19,849,811
		<hr/>	<hr/>
<b>Total equity</b>		<b>59,120,673</b>	58,019,420
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For The Six Months Ended 30 June 2022*

## 1. GENERAL INFORMATION

Joy City Property Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in investment holding, property investment and development and hotel operations.

The immediate holding company of the Company is Grandjoy Holdings Group Co., Ltd (“**Grandjoy Holdings**”, a company established in the People’s Republic of China (the “**PRC**”) with its A shares listed on the Shenzhen Stock Exchange. In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (‘000) unless otherwise indicated.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2022 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 (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2021.

### 3. 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.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2022:

#### **Application of 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 mandatory effective for the annual period 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 HKFRS 16	COVID-19 Related Rent Concession beyond 30 June 2021
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

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



#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the period.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker (“CODM”), for the purposes of resources allocation and performance assessment.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

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

	<b>30.6.2022</b>	30.6.2021
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
	<b>(Unaudited)</b>	(Unaudited)
Property investment and development:		
Rental income from investment properties and related services	<b>1,626,191</b>	1,987,665
Sales of properties held for sale	<b>7,077,949</b>	2,138,713
Output management project	<b>84,444</b>	86,507
Other service income	<b>62,776</b>	26,512
	<b>8,851,360</b>	4,239,397
Hotel operations	<b>282,916</b>	432,677
Total revenue	<b>9,134,276</b>	4,672,074

## Disaggregation of revenue from contract with customers

### For the six months ended 30 June 2022 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	<u>312,288</u>	<u>7,077,949</u>	<u>282,916</u>	<u>84,444</u>	<u>62,776</u>	<u>7,820,373</u>
<b>Geographical markets</b>						
Mainland China	304,833	7,077,949	282,916	63,107	62,744	7,791,549
Hong Kong	<u>7,455</u>	<u>–</u>	<u>–</u>	<u>21,337</u>	<u>32</u>	<u>28,824</u>
	<u>312,288</u>	<u>7,077,949</u>	<u>282,916</u>	<u>84,444</u>	<u>62,776</u>	<u>7,820,373</u>
<b>Timing of revenue recognition</b>						
A point in time	–	7,077,949	64,105	–	–	7,142,054
Over time	<u>312,288</u>	<u>–</u>	<u>218,811</u>	<u>84,444</u>	<u>62,776</u>	<u>678,319</u>
	<u>312,288</u>	<u>7,077,949</u>	<u>282,916</u>	<u>84,444</u>	<u>62,776</u>	<u>7,820,373</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

### For the six months ended 30 June 2022 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>						
External customers	312,288	7,077,949	282,916	84,444	62,776	7,820,373
Inter-segment	<u>7,669</u>	<u>–</u>	<u>7</u>	<u>39,915</u>	<u>22,969</u>	<u>70,560</u>
<b>Total</b>	<u>319,957</u>	<u>7,077,949</u>	<u>282,923</u>	<u>124,359</u>	<u>85,745</u>	<u>7,890,933</u>
Rental revenue	1,315,195	–	–	–	–	1,315,195
Rental adjustments	<u>(1,292)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,292)</u>
<b>Revenue from rental total</b>	<u>1,313,903</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,313,903</u>
<b>Inter-segment elimination</b>	<u>(7,669)</u>	<u>–</u>	<u>(7)</u>	<u>(39,915)</u>	<u>(22,969)</u>	<u>(70,560)</u>
<b>Revenue disclosed in segment information</b>	<u>1,626,191</u>	<u>7,077,949</u>	<u>282,916</u>	<u>84,444</u>	<u>62,776</u>	<u>9,134,276</u>

## Disaggregation of revenue from contract with customers

For the six months ended 30 June 2021 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>	178,662	2,138,713	432,677	86,507	26,512	2,863,071
<b>Geographical markets</b>						
Mainland China	175,203	2,138,713	432,677	65,613	26,453	2,838,659
Hong Kong	3,459	–	–	20,894	59	24,412
	<u>178,662</u>	<u>2,138,713</u>	<u>432,677</u>	<u>86,507</u>	<u>26,512</u>	<u>2,863,071</u>
<b>Timing of revenue recognition</b>						
A point in time	–	2,138,713	105,088	–	–	2,243,801
Over time	178,662	–	327,589	86,507	26,512	619,270
	<u>178,662</u>	<u>2,138,713</u>	<u>432,677</u>	<u>86,507</u>	<u>26,512</u>	<u>2,863,071</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For the six months ended 30 June 2021 (Unaudited)

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>						
External customers	178,662	2,138,713	432,677	86,507	26,512	2,863,071
Inter-segment	5,894	–	–	54,902	20,746	81,542
<b>Total</b>	<u>184,556</u>	<u>2,138,713</u>	<u>432,677</u>	<u>141,409</u>	<u>47,258</u>	<u>2,944,613</u>
Rental revenue	1,810,295	–	–	–	–	1,810,295
Rental adjustments	(1,292)	–	–	–	–	(1,292)
<b>Revenue from rental total</b>	<u>1,809,003</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,809,003</u>
<b>Inter-segment elimination</b>	<u>(5,894)</u>	<u>–</u>	<u>–</u>	<u>(54,902)</u>	<u>(20,746)</u>	<u>(81,542)</u>
<b>Revenue disclosed in segment information</b>	<u>1,987,665</u>	<u>2,138,713</u>	<u>432,677</u>	<u>86,507</u>	<u>26,512</u>	<u>4,672,074</u>

Information regarding the above segments is reported below.

### Segment revenue and segment results

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

For the six months ended 30 June 2022 (Unaudited)	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	1,627,483	7,077,949	282,916	84,444	62,776	9,135,568	–	9,135,568
Inter-segment revenue	<u>7,669</u>	<u>–</u>	<u>7</u>	<u>39,915</u>	<u>22,969</u>	<u>70,560</u>	(70,560)	<u>–</u>
Consolidated	<u>1,635,152</u>	<u>7,077,949</u>	<u>282,923</u>	<u>124,359</u>	<u>85,745</u>	<u>9,206,128</u>	(70,560)	<u>9,135,568</u>
Rental adjustments								<u>(1,292)</u>
Revenue as presented in consolidated statement of profit or loss								<u>9,134,276</u>
Segment results	<u>843,051</u>	<u>2,606,289</u>	<u>(48,391)</u>	<u>100,611</u>	<u>26,189</u>	<u>3,527,749</u>	–	3,527,749
Unallocated corporate income and other gains								71,546
Unallocated corporate expenses and other losses								(230,892)
Finance costs								(562,726)
Share of losses of associates								(1,483)
Share of losses of joint ventures								<u>(33,088)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>2,771,106</u>

## Segment revenue and segment results

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

Six months ended 30 June 2021 (Unaudited)

For the six months ended 30 June 2021 (Unaudited)	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	1,988,957	2,138,713	432,677	86,507	26,512	4,673,366	–	4,673,366
Inter-segment revenue	<u>5,894</u>	<u>–</u>	<u>–</u>	<u>54,902</u>	<u>20,746</u>	<u>81,542</u>	(81,542)	<u>–</u>
Consolidated	<u>1,994,851</u>	<u>2,138,713</u>	<u>432,677</u>	<u>141,409</u>	<u>47,258</u>	<u>4,754,908</u>	(81,542)	<u>4,673,366</u>
Rental adjustments								<u>(1,292)</u>
Revenue as presented in consolidated statement of profit or loss								<u>4,672,074</u>
Segment results	<u>1,232,996</u>	<u>217,074</u>	<u>33,025</u>	<u>110,370</u>	<u>(4,407)</u>	<u>1,589,058</u>	–	1,589,058
Unallocated corporate income and other gains								157,154
Unallocated corporate expenses and other losses								(135,913)
Finance costs								(380,533)
Share of profits of associates								9,292
Share of profits of joint ventures								<u>150,586</u>
Profit before tax as presented in consolidated statement of profit or loss								<u>1,389,644</u>

Inter-segment revenue was charged at prices agreed between group entities.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represents the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, other gains and losses, distribution and selling costs, administrative expenses, finance costs, share of results of associates and joint ventures. The above is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

### **Segment assets and liabilities**

Segment assets and liabilities are not disclosed in the condensed consolidated financial statements as they are not regularly provided to the CODM for the purposes of resources allocation and performance assessment.

## 5. OTHER INCOME

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

	Six months ended	
	30.06.2022 RMB'000 (Unaudited)	30.06.2021 RMB'000 (Unaudited)
Interest income from:		
Banks	47,518	72,359
A non-banking financial institution ( <i>Note a</i> )	9,408	8,092
Loans to joint ventures	—	2,574
Loans to associates	38,130	57,082
Loan to non-controlling interests	1,703	1,833
Government grants ( <i>Note b</i> )	12,740	15,163
Others	3,396	6,300
	<u>112,895</u>	<u>163,403</u>

Notes:

- a. *The non-banking financial institution is COFCO Finance Corporation Limited (“COFCO Finance”), a fellow subsidiary of the Group.*
- b. *Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.*

## 6. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains and losses, for the period are as follows:

	Six months ended	
	30.06.2022 RMB'000 (Unaudited)	30.06.2021 RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	(261)	(881)
Exchange (loss) gain, net	(121,961)	49,850
Gain on disposal of a subsidiary	10,314	—
Others	69,868	8,554
	<u>(42,040)</u>	<u>57,523</u>

## 7. FINANCE COSTS

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

	<b>Six months ended</b>	
	<b>30.06.2022</b>	30.06.2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Interest on:		
Bank borrowings	<b>308,712</b>	362,715
Loans from a non-banking financial institution ( <i>Note</i> )	<b>28,241</b>	36,654
Loans from fellow subsidiaries	<b>2,459</b>	2,312
Loan from non-controlling interests	<b>42,535</b>	28,308
Loan from an associate	<b>354</b>	–
Loan from a joint venture	<b>81,096</b>	13,359
Loans from third parties	<b>208,144</b>	161,614
Bonds payable	<b>65,462</b>	74,559
Lease liabilities	<b>5,712</b>	6,365
Others	<b>17,655</b>	4,534
	<hr/>	<hr/>
Total interest expenses	<b>760,370</b>	690,420
	<hr/>	<hr/>
Less: interest capitalised in:		
Investment properties under development	<b>(34,930)</b>	(78,332)
Properties under development for sale	<b>(162,714)</b>	(231,555)
	<hr/>	<hr/>
	<b>(197,644)</b>	(309,887)
	<hr/>	<hr/>
Finance costs	<b>562,726</b>	380,533
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

*The non-banking financial institution is COFCO Finance, a fellow subsidiary of the Group.*



## 8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended	
	30.06.2022 <i>RMB'000</i> (Unaudited)	30.06.2021 <i>RMB'000</i> (Unaudited)
Amortisation:		
– Intangible assets (included in cost of sales)	1,594	2,034
– Intangible assets (included in administrative expenses)	3,723	3,999
– Intangible assets (included in distribution and selling costs)	391	951
	<u>5,708</u>	<u>6,984</u>
Depreciation of property, plant and equipment	100,134	113,676
Depreciation of right-of-use assets	37,164	35,448
	<u>143,006</u>	<u>156,108</u>
Total depreciation and amortisation		
	<u>143,006</u>	<u>156,108</u>
Cost of sales and services rendered:		
Cost of properties sold	4,329,972	1,812,787
Direct operating expenses incurred for investment properties that generated rental income	402,098	388,173
Direct operating expenses arising from provision of property management and related services	68,358	47,459
Direct operating expenses from hotel services provided	241,924	283,957
	<u>5,042,352</u>	<u>2,532,376</u>

## 9. INCOME TAX EXPENSE

	<b>Six months ended</b>	
	<b>30.06.2022</b>	30.06.2021
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	<b>699,901</b>	182,343
Land Appreciation Tax	<b>360,966</b>	12,031
Hong Kong Profits Tax	<b>7,952</b>	8,534
	<u><b>1,068,819</b></u>	<u>202,908</u>
(Over)/under provision in prior years :		
PRC Enterprise Income Tax	<b>(1,661)</b>	1,744
Deferred tax	<b>147,145</b>	234,367
	<u><b>1,214,303</b></u>	<u>439,019</u>

## 10. EARNINGS PER SHARE

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

	<b>Six months ended</b>	
	<b>30.06.2022</b>	30.06.2021
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	<u><b>866,086</b></u>	<u>613,507</u>
<b>Number of shares ('000)</b>		
For the purpose of basic earnings per share:		
Number of ordinary shares:	<b>14,231,125</b>	14,231,125
Number of non-redeemable convertible preference shares:	<b>1,095,301</b>	1,095,301
Number of shares for the purpose of basic earnings per share:	<u><b>15,326,426</b></u>	<u>15,326,426</u>

The number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2022 and 2021 is calculated on the basis of the number of ordinary shares of the Company and non-redeemable convertible preference shares in issue during the periods.

The calculation of the diluted earnings per share for the six months ended 30 June 2022 and 2021 did not assume the exercise of the written put option on shares of a subsidiary as the dilution effect resulting from the impact of earnings is not considered material.

## 11. DIVIDENDS

No dividend in respect of ordinary shares has been proposed, paid or declared by the Company for the current and prior periods.

## 12. ACCOUNTS RECEIVABLE

	<b>30.06.2022</b> <i>RMB'000</i> <b>(Unaudited)</b>	31.12.2021 <i>RMB'000</i> <b>(Audited)</b>
Lease receivables	<b>147,562</b>	110,735
Property management fee receivables	<b>23,332</b>	3,311
Receivables from hotel operations and related services	<b>18,449</b>	21,862
Others	<b>1,368</b>	807
Less: Allowance for credit losses	<b>(25,359)</b>	(25,141)
	<b>165,352</b>	111,574
Rental adjustments*	<b>7,323</b>	8,615
	<b>172,675</b>	120,189

\* *Rental adjustments relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease.*

At 30 June 2022, accounts receivable with an aggregate carrying amount of approximately RMB45,731,000 (31 December 2021: RMB26,089,000) were pledged to secure certain banking facilities granted to the Group.

The Group does not hold any collateral over the above balances.

The following is an aged analysis of accounts receivable at the end of the reporting period (excluding rental adjustments and net of allowance for credit losses) presented based on invoice date, except for the aged analysis of rental receivables which were presented based on the date of rental demand notice issued:

	<b>30.06.2022</b> <i>RMB'000</i> <b>(Unaudited)</b>	31.12.2021 <i>RMB'000</i> <b>(Audited)</b>
Less than 3 months	<b>104,138</b>	81,011
3 months to 1 year	<b>43,453</b>	21,919
1 to 2 years	<b>14,651</b>	7,131
2 to 3 years	<b>3,110</b>	1,513
	<u><b>165,352</b></u>	<u>111,574</u>

**13. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL**

	<b>Six months ended</b>	
	<b>30.06.2022</b> <i>RMB'000</i> <b>(Unaudited)</b>	30.06.2021 <i>RMB'000</i> <b>(Unaudited)</b>
<b>Impairment loss recognised in respect of:</b>		
– accounts receivable	<b>2,049</b>	5,367
– deposits and other receivables	<b>3,482</b>	2,381
	<u><b>5,531</b></u>	<u>7,748</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021.

## 14. ACCOUNTS PAYABLE

	<b>30.06.2022</b> <i>RMB'000</i> <b>(Unaudited)</b>	31.12.2021 <i>RMB'000</i> (Audited)
Trade payables	<b>30,102</b>	33,755
Accrued expenditure on construction	<b>7,688,405</b>	5,242,801
	<b>7,718,507</b>	5,276,556

Accounts payable, including trade payables and accrued expenditure on construction, mainly comprise construction costs and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the retention period is up to 2 years.

The following is an aged analysis of trade payables at the end of the reporting period based on invoice date.

	<b>30.06.2022</b> <i>RMB'000</i> <b>(Unaudited)</b>	31.12.2021 <i>RMB'000</i> (Audited)
Within 1 year	<b>29,887</b>	33,540
1 to 2 years	—	—
2 to 3 years	—	—
Over 3 years	<b>215</b>	215
	<b>30,102</b>	33,755

## 15. SHARE CAPITAL

### Ordinary share capital of the Company

	Number of shares	Amount <i>HK\$'000</i>	(RMB equivalent) <i>RMB'000</i>
Authorised:			
<i>Ordinary shares of HK\$0.10 each.</i>			
At 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	<u>28,904,699,222</u>	<u>2,890,470</u>	<u>2,293,502</u>
Issued and fully paid:			
<i>Ordinary shares of HK\$0.10 each</i>			
At 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	<u>14,231,124,858</u>	<u>1,423,112</u>	<u>1,122,414</u>

## **BUSINESS REVIEW**

### **Market Review**

In the first half of 2022, China faced severe challenges in economic growth due to the changing international landscape and the impact from the COVID-19 pandemic. Despite the pressure on economic growth, China's GDP expanded 2.5% from the same period last year to approximately RMB56.26 trillion. As impacted by the COVID-19 pandemic, consumption shrank significantly in the short term, and the total retail sales of consumer goods amounted to approximately RMB21.04 trillion, representing a decrease of 0.7% as compared with the same period last year. The real estate market cooled down as the industry had been impacted by unexpected factors such as repeated outbreaks of the pandemic in many regions. However, the real estate industry and market have bottomed out and gradually recovered since May 2022, following the positive signals released frequently by the government authorities and the weakening impact of the pandemic. During the period under review, nationwide investment in real estate development amounted to approximately RMB6.8 trillion, representing a year-on-year decrease of 5.4%. Sales of commercial housing amounted to approximately RMB6.6 trillion, representing a year-on-year decrease of 28.9%. In June 2022, the price index of newly built commercial housing in 70 large-and medium-sized cities across the country decreased by 1.3% year on year, while it was generally stable month on month.

In terms of commercial properties, the growth of domestic consumption has slowed down due to the negative impact from the sporadic outbreaks of COVID-19 pandemic in the country, which impacted on the brick-and-mortar business. During the period under review, approximately 119 over-20,000 sq.m. commercial construction projects commenced operation nationwide, representing a year-on-year decrease of approximately 19%. Despite the lingering impact of the pandemic, China's consumer market is bolstered by sound fundamentals, with people's desire to pursue a better life and the trend of consumption upgrade remaining unchanged. With the arrival of the "post-pandemic era" and the "Generation Z" consumer group becoming the main force of the consumer market, profound changes have taken place in the consumption behaviors and consumption patterns of the main consumer groups. Accordingly, shopping malls are gradually transforming from retail consumption venues to experience spaces and interactive spaces.

### **Business Review**

During the period under review, the Group gave full play to its strengths to ensure stable development of its four business segments, namely investment properties, property development, hotel operations, and output management and other services. The Group's operating revenue was approximately RMB9,134.3 million (for the corresponding period in 2021: RMB4,672.1 million), representing a year-on-year increase of 95.5%, mainly due to a significant increase in revenue from the property development segment as a result of increased settlement area thereof for the period. The Group recorded cost of sales and services rendered of approximately RMB5,042.4 million (for the corresponding period in 2021: RMB2,532.4 million), representing a year-on-year increase of 99.1%. The overall gross profit margin was 44.8%, representing a year-on-year decrease of 1.0 percentage point, mainly due to an increase in gross profit margin of properties held for sale and a decrease in gross profit margin of investment properties and hotel operations under the impact of the pandemic.

## ***Business Review on Investment Properties***

The Group remains committed to stable development and comprehensive operation. During the period under review, the Group's shopping malls actively worked on original IP activities, such as "Joy Joy So Red Festival" and "Hi, It's New Shopping Festival", which achieved good marketing results and further consolidated the Group's leading position in the industry.

During the period under review, the retail sector was hit hard by the COVID-19 pandemic. In order to alleviate the financial pressure of its business tenants, the Group provided rent concessions to tenants who leased properties of the Group in 2022 and met the requirements of the rent concession policy. As a result, the total rental income from investment properties and related services income decreased by 18.2% year on year to approximately RMB1,626.2 million, and the gross profit margin of the investment properties segment decreased by 5.2 percentage points year on year to 75.3%. Shopping malls and office buildings contributed approximately 78% and 15% of the total revenue, respectively.

The Group's shopping malls recorded sales of approximately RMB11,400 million and rental income of approximately RMB966.8 million, representing a year-on-year decrease of 28.1%. The average occupancy rate of the shopping malls was 93%, down by 1 percentage point year on year.

In respect of its office building business, the Group has established a good brand image by pursuing customer-focused and in-depth property services. The rental income derived from office building business was approximately RMB235.0 million, representing a year-on-year decrease of 17.5%. The average occupancy rate of the office buildings was 90%, remaining unchanged from the previous year.

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Rental income from investment properties and related services income (RMB million)	<b>1,626.2</b>	<b>1,987.7</b>



The table below sets forth the rental income and occupancy rates of the Group's major investment properties for the first half of 2022:

<b>Project</b>	<b>City</b>	<b>Use</b>	<b>Rental income (RMB million)</b>	<b>Occupancy rate (%)</b>
Xidan Joy City Shopping Mall	Beijing	Retail	276.5	95
Chaoyang Joy City Shopping Mall	Beijing	Retail	210.6	98
Tianjin Joy City Shopping Mall	Tianjin	Retail	151.6	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	52.9	92
Shenyang Joy City Shopping Mall	Shenyang	Retail	66.7	91
Yantai Joy City Shopping Mall	Yantai	Retail	23.8	91
Chengdu Joy City Shopping Mall	Chengdu	Retail	96.6	95
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	43.2	95
Suzhou Joy Breeze Shopping Mall	Suzhou	Retail	13.4	93
Chongqing Joy City Shopping Mall	Chongqing	Retail	15.6	80.5
Wuhan Joy City Shopping Mall	Wuhan	Retail	16.0	90
Xidan Joy City Offices	Beijing	Office	13.1	91
COFCO Plaza Offices	Beijing	Office and Retail	123.1	91
Hong Kong COFCO Tower	Hong Kong	Office and Retail	28.2	78
COFCO • Landmark Tower	Beijing	Office and Retail	70.5	88
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	65.5	92
Total			<u>1,267.3</u>	

The table below sets forth the rental income and occupancy rates of the Group's major investment properties for the first half of 2021:

<b>Project</b>	<b>City</b>	<b>Use</b>	<b>Rental income (RMB million)</b>	<b>Occupancy rate (%)</b>
Xidan Joy City Shopping Mall	Beijing	Retail	316.7	98
Chaoyang Joy City Shopping Mall	Beijing	Retail	329.3	99
Tianjin Joy City Shopping Mall	Tianjin	Retail	232.4	98
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	85.7	84
Shenyang Joy City Shopping Mall	Shenyang	Retail	123.2	95
Yantai Joy City Shopping Mall	Yantai	Retail	59.6	88
Chengdu Joy City Shopping Mall	Chengdu	Retail	122.2	96
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	75.1	93
Xidan Joy City Offices	Beijing	Office	22.5	92
COFCO Plaza Offices	Beijing	Office and Retail	146.7	91
Hong Kong COFCO Tower	Hong Kong	Office and Retail	29.4	73
COFCO • Landmark Tower	Beijing	Office and Retail	86.3	92
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	63.5	91
Total			<u>1,692.6</u>	

## ***Business Review on Property Development***

The Group devoted more efforts in marketing and leveraged on new media, short videos and other methods for marketing, yielding positive marketing results. During the period under review, the Group organised a number of synergistic project marketing campaigns and carried out featured marketing activities on monthly basis to boost property sales. As a result, the Group recorded contracted sales of approximately RMB16,297.0 million, representing a year-on-year increase of 33.4%. Contracted sales area was 403,013.0 sq.m., representing a year-on-year increase of approximately 29.3%; and the average unit selling price was approximately RMB40,438/sq.m., representing a year-on-year increase of approximately 3.2%.

During the period under review, the Group's revenue derived from property development segment amounted to RMB7,077.9 million, representing a year-on-year increase of 230.9%. The settlement area of properties delivered was approximately 367,684 sq.m., representing a year-on-year increase of 145.6%. The average unit settlement price was approximately RMB19,250/sq.m., representing a year-on-year increase of 34.8%. Due to the changes in structure of the properties delivered, the gross profit margin of the property development segment increased by 23.6 percentage points year on year to 38.8%.

For the first half of 2022, the contracted sales amount and contracted sales area of each region achieved by the Group are as follows:

Region	Contracted sales		Contracted sales area	
	Six months ended 30 June		Six months ended 30 June	
	2022 (RMB million)	2021 (RMB million)	2022 (sq.m.)	2021 (sq.m.)
Shanghai	12,025.2	9,058.7	211,697.8	158,859.1
Hainan	297.6	902.0	12,361.8	28,478.6
Southwest China	738.0	458.8	43,638.8	20,762.3
Zhejiang	886.9	164.0	36,302.2	5,825.0
Nanjing	2,233.6	1,169.4	90,635.3	82,454.8
Central China	100.5	463.5	7,995.2	15,387.6
Southern China	15.2	—	381.9	—
Total	<u>16,297.0</u>	<u>12,216.4</u>	<u>403,013.0</u>	<u>311,767.4</u>

## ***Business Review on Hotel Operations***

The Group innovated its operations and leveraged the advantages of cross-border cooperation to strengthen its operational capabilities, attract customers and hedge against the impacts of the COVID-19 pandemic. During the period under review, as impacted by the COVID-19 pandemic, the Group's revenue from hotel operations was approximately RMB282.9 million, representing a year-on-year decrease of 34.6%. The average occupancy rate of the hotels was 47%, representing a year-on-year decrease of 22 percentage points.

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales revenue from hotel operations (RMB million)	<b>282.9</b>	<b>432.7</b>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group for the first half of 2022:

<b>Project</b>	<b>City</b>	<b>Use</b>	<b>Average occupancy rate (%)</b>	<b>RevPAR (RMB)</b>	<b>Average room rate (RMB)</b>
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	<b>35</b>	<b>893</b>	<b>2,560</b>
MGM Grand Sanya	Sanya	Resort	<b>54</b>	<b>789</b>	<b>1,470</b>
Cactus Resort Sanya by Gloria	Sanya	Resort	<b>36</b>	<b>106</b>	<b>299</b>
Waldorf Astoria Beijing	Beijing	Business Inn	<b>22</b>	<b>664</b>	<b>2,966</b>
Le Joy Hotel Beijing	Beijing	Hotel	<b>75</b>	<b>420</b>	<b>559</b>

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group for the first half of 2021:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	66	1,391	2,104
MGM Grand Sanya	Sanya	Resort	91	1,259	1,380
Cactus Resort Sanya by Gloria	Sanya	Resort	46	141	307
Waldorf Astoria Beijing	Beijing	Business Inn	47	954	2,042
Le Joy Hotel Beijing	Beijing	Hotel	74	478	641

### ***Business Review on Output Management and Other Services***

The Group has always strategically positioned itself as “a service provider of urban operation and better life” and actively deployed new commercial projects. During the period under review, the Group newly secured two output management projects, namely Chengdu Jinniu Joy City and Guangzhou Huangpu Joy Life, continuously exporting brand value to the market. The total revenue from output management and other services was RMB147.2 million.

## **FINANCIAL REVIEW**

### ***Profit***

During the period under review, due to the increase in revenue from the property development segment as a result of increased settlement area and the increased gross profit margin thereof and partly offset by the decrease in revenue from the investment property segment owing to the Group’s rent concession policy, the Group recorded profit of approximately RMB1,556.8 million, representing a year-on-year increase of 63.8%; and the profit attributable to owners of the Company amounted to approximately RMB866.1 million, representing a year-on-year increase of 41.2%. Excluding the after-tax fair value gain on investment properties and the effect of exchange rate changes, the core net profit attributable to owners of the Company amounted to approximately RMB918.5 million, representing a year-on-year increase of 28.6%.

## BUSINESS OUTLOOK

Looking forward to the second half of 2022, China will continue to follow the general principle of “prioritizing stability while pursuing progress” in its economic development. With the pandemic under effective control in the country and the launch of a package of national policies to stabilize growth, economic activities will gradually return to the normal and economic development will gradually recover. In 2022, the central government firmly implements the strategy of expanding domestic demand, and proposes to “strive for in-depth integration of online and offline consumption, promote recovery in consumption of consumer services, and foster new forms and models of consumer spending.” As an important carrier of domestic consumption and service upgrade, commercial real estate will play an important role in boosting the consumer market and stabilizing the macro economy. In the future, the Group will actively adapt to the development of the times, create business spaces and service contents that meet the consumption needs of the “Generation Z”, improve its operation and management capabilities, and make continuous contributions to the country, society, city value and people’s better life.

## LIQUIDITY AND FINANCIAL POSITION

	<b>As at 30 June 2022 RMB (million) (Unaudited)</b>	<b>As at 31 December 2021 RMB (million) (Audited)</b>
Total assets	<b>138,174.7</b>	131,020.4
Cash and cash equivalents (including restricted bank deposits and pledged deposits)	<b>13,017.0</b>	10,485.6
Total borrowings *	<b>41,706.7</b>	38,989.7
Total equity	<b>59,120.7</b>	58,019.4
Current ratio	<b>1.54</b>	1.38
Net debt to total equity ratio **	<b>48.5%</b>	49.1%
Weighted average borrowing cost	<b>3.90%</b>	4.13%

\* : *Total borrowings include bank borrowings, loans from fellow subsidiaries, joint ventures, non-controlling shareholders and third parties, and corporate bonds.*

\*\* : *The net debt to total equity ratio is calculated as net borrowings divided by total equity, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.*

As at 30 June 2022, the Group had total assets of approximately RMB138,174.7 million (as at 31 December 2021: approximately RMB131,020.4 million). The total equity of the Group was approximately RMB59,120.7 million, representing an increase of approximately 1.9% as compared with RMB58,019.4 million as at 31 December 2021.

As at 30 June 2022, bank and other interest-bearing borrowings amounted to approximately RMB41,706.7 million, representing an increase of 7.0% as compared to RMB38,989.7 million as at 31 December 2021. The net debt to total equity ratio was approximately 48.5%, representing a decrease of 0.6 percentage point as compared to 49.1% as at 31 December 2021. Among the interest-bearing borrowings, 63% were denominated in RMB while 37% were denominated in HKD and USD. In the total interest-bearing borrowings, approximately RMB18,923.0 million were fixed interest borrowings and the other borrowings carried interest at floating rates.

The Group is committed to optimizing its capital structure and reducing financing costs. COFCO Commercial Property Investment Co., Ltd., a non-wholly owned subsidiary of the Company, issued corporate bonds of RMB1,500 million on the Shenzhen Stock Exchange in January 2022, comprising RMB1,000 million with a term of 3 + 2 years and a coupon rate of 3.08% and RMB500 million with a term of 5 + 2 years and a coupon rate of 3.49%. With access to domestic and foreign multiple financing platforms, the Group has been able to seize the opportunities in capital markets to raise financing at a lower cost to support the development of the Group.

As at 30 June 2022, the Group's average borrowing cost stood at 3.90%, maintaining at a relatively low level in the industry despite the USD interest-rate hikes, which was due to its good relationships with banks and its active efforts to expand financing channels and optimize financing structure.

As at 30 June 2022, the Group had banking facilities of RMB43,666.7 million, of which unused facilities amounting to RMB17,873.4 million denominated in RMB, HKD and USD, indicating that Group had adequate access to financing and sufficient credit facilities.

In view of the Group's current cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group attached great importance to the selection, employment, training and retainment of talents, and strives to build a diversified talent team through improving selection and employment mechanisms, expanding recruitment channels and combining social recruitment and campus recruitment. The Group has built core training projects such as “Training Camp for Senior Executives”, “3040 Class”, “Golden Helmsman Plan”, “Golden Seed Plan”, “Sword Casting Plan”, “New Joy Training Camp”, “Future Star Training Camp” and “Joy Seminar”, with an aim to continuously improve its online learning system and revitalize internal training resources to create a comprehensive talent training system. Through its “Team Members Competition”, “Team Members Swapping” and “Team Members Training” programmes, the Group has opened up channels for internal talent exchange and promotion. Moreover, The Group sought to motivate its employees by optimizing its performance-linked remuneration and incentives system by referring to prevailing market rates, thereby creating a human resources management system with “common development of the enterprise and employees” at the core. Thanks to these efforts, the Group has developed a lean, competent and efficient team, which provides a strong talent guarantee for the realization of the Group’s strategic objectives. As at the end of the period under review, the Group had 4,090 employees in total.

The Group keeps optimizing its remuneration and benefits policies to attract and motivate professional talents and drive performance improvement. By referring to prevailing market rates, the Group makes sure that it provides competitive salaries as well as comprehensive benefits to its employees and establishes a harmonious relationship with them. The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. Further, the Group’s principal retirement benefit scheme available to its employees in Hong Kong, namely the Mandatory Provident Fund, is also a defined contribution scheme administered by independent trustees. Both the Group and its employees are required to make contributions to the Mandatory Provident Fund at a certain percentage of the employees’ salaries. The Group’s contributions to the defined contribution schemes are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution plans. The only obligation of the Group with respect to such defined contribution schemes is to make the specified contributions. During the period under review, there were no forfeited contributions under the defined contribution schemes. Accordingly, no forfeited contributions were utilized during the year, and there were no forfeited contributions available to reduce the level of contributions during the period under review.

## **EVENTS AFTER THE END OF THE PERIOD UNDER REVIEW**

There were no other material subsequent events relating to the Group after 30 June 2022 and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board proposed not to distribute any interim dividend for the six months ended 30 June 2022 (for the same period of 2021: Nil).



## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Company has adopted all code provisions in the CG Code as its own code on corporate governance. The Board considers that during the six months ended 30 June 2022, the Company had complied with all code provisions as set out in the CG Code except for code provision F.2.2. Such code provision stipulates that the chairman of the board of directors should attend the annual general meeting. The Chairman of the Board was unable to attend the annual general meeting of the Company on 2 June 2022 due to travel restrictions during the COVID-19 pandemic. Mr. LAM Kin Ming, Lawrence, an independent non-executive Director, chaired the annual general meeting on behalf of the Chairman of the Board and was available to answer questions.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding directors’ securities transactions. After specific enquiry by the Company, all directors have confirmed that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **REVIEW OF INTERIM FINANCIAL STATEMENTS**

The unaudited interim results for the six months ended 30 June 2022 have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by the Company’s auditor, SHINEWING (HK) CPA Limited. The Group’s interim results for the six months ended 30 June 2022 have also been reviewed by the Audit Committee of the Board.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the HKExnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.joy-cityproperty.com](http://www.joy-cityproperty.com)). The Interim Report 2022 of the Company will be published on the above websites and dispatched to shareholders in due course.

By Order of the Board  
**JOY CITY PROPERTY LIMITED**  
**YOU Wei**  
*Chairman*

The PRC, 26 August 2022

*As at the date of this announcement, the Board comprises Mr. YOU Wei (Chairman) and Mr. CAO Ronggen as executive Directors; Mr. MA Dewei, Mr. LIU Yun and Mr. ZHU Laibin as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent non-executive Directors.*

## **GLOSSARY**

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Joy City Property Limited (formerly known as COFCO Land Holdings Limited), a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.