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TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

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

INTERIM RESULTS HIGHLIGHTS

- Contracted sales for the Period of RMB27.46 billion, representing a decrease of 39.5% as compared with the corresponding period in 2021;
- Revenue for the Period of RMB6,498.1 million, representing a decrease of 52.4% as compared with the corresponding period in 2021;
- Total debts^{note 1} totaled RMB49,310.2 million as at 30 June 2022, representing a decrease of RMB4,083.9 million as compared to 31 December 2021; and
- Asset-liability ratio^{note 2} of 71.4% (31 December 2021: 74.6%) as at 30 June 2022.

Note 1: Total debts refer to interest-bearing bank and other borrowings (excluding interest payable) in liabilities.

Note 2: Asset-liability ratio is calculated by total liabilities (net of contract liabilities) divided by total assets (net of contract liabilities).

RESULTS

The board (the “Board”) of directors (the “Directors”) of Times China Holdings Limited (“Times China” or the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 (the “Period”), together with the comparative figures for the corresponding period in 2021 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	<i>Notes</i>	Six months ended 30 June	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
REVENUE	5	6,498,111	13,638,443
Cost of sales		(5,638,079)	(9,090,515)
GROSS PROFIT		860,032	4,547,928
Other income and gains	5	381,700	544,002
Selling and marketing costs		(270,907)	(582,077)
Administrative expenses		(519,257)	(695,802)
Other expenses		(224,558)	(292,179)
Finance costs	7	(199,831)	(422,855)
Share of profits and losses of associates and joint ventures		46,360	211,107
PROFIT BEFORE TAX	6	73,539	3,310,124
Income tax expense	8	(42,394)	(1,386,808)
PROFIT FOR THE PERIOD		31,145	1,923,316
Attributable to:			
Owners of the Company	10	23,752	1,628,877
Non-controlling interests		7,393	294,439
		31,145	1,923,316

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022	2021
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted – for profit for the period	10	RMB1 cent	RMB84 cents
PROFIT FOR THE PERIOD		31,145	1,923,316
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of derivative financial instruments arising during the periods		36,376	11,744
Hedging losses reclassified to profit or loss		8,666	9,779
Share of other comprehensive (loss)/income of a joint venture		(15,644)	9,024
Exchange differences on translation of foreign operations		(794,176)	227,149
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		(764,778)	257,696
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Net (loss)/income on equity investments designated at fair value through other comprehensive (loss)/income		(8,747)	3,200
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		(8,747)	3,200
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		(773,525)	260,896
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(742,380)	2,184,212
Attributable to:			
Owners of the Company		(749,773)	1,889,773
Non-controlling interests		7,393	294,439
		(742,380)	2,184,212

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	30 June	31 December
	2022	2021
<i>Note</i>	RMB'000	RMB'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,060,677	1,087,550
Inventories of properties	449,747	689,026
Right-of-use assets	60,893	82,109
Investment properties	9,532,325	9,238,633
Goodwill	60,465	60,465
Other intangible assets	175,069	179,013
Interests in joint ventures	17,706,099	17,833,422
Interests in associates	6,096,646	6,017,228
Equity investments designated at fair value through other comprehensive income	390,924	359,594
Deferred tax assets	2,767,776	2,452,823
Prepayments, deposits and other receivables	4,718,953	4,318,787
	43,019,574	42,318,650
CURRENT ASSETS		
Inventories of properties	89,064,329	89,814,144
Trade receivables	3,188,560	5,457,337
Contract assets	241,438	249,147
Contract costs	1,198,031	880,409
Prepayments, deposits and other receivables	27,401,636	28,118,619
Amounts due from joint ventures	5,764,021	7,015,382
Amounts due from associates	1,233,396	1,297,828
Tax prepayments	3,112,699	2,584,347
Derivative financial instruments	23,626	–
Restricted bank deposits	3,995,275	5,938,896
Cash and cash equivalents	5,641,916	14,718,289
	140,864,927	156,074,398

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2022

		30 June 2022	31 December 2021
	<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	10,977,780	18,385,441
Other payables and accruals		16,455,516	25,406,636
Contract liabilities		37,788,036	30,696,157
Amounts due to joint ventures		7,115,964	7,704,130
Amounts due to associates		2,677,668	2,492,378
Amount due to the immediate holding company		469,376	–
Interest-bearing bank and other borrowings and interest payable		16,418,992	11,830,405
Lease liabilities		19,109	28,419
Tax payable		12,243,250	12,445,597
		104,165,691	108,989,163
Total current liabilities		104,165,691	108,989,163
NET CURRENT ASSETS		36,699,236	47,085,235
TOTAL ASSETS LESS CURRENT LIABILITIES		79,718,810	89,403,885
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings and interest payable		33,636,189	42,374,532
Derivative financial instruments		–	19,912
Other long-term payables		150,824	187,881
Lease liabilities		2,396,469	2,400,402
Deferred tax liabilities		1,807,056	1,766,346
		37,990,538	46,749,073
Total non-current liabilities		37,990,538	46,749,073
Net assets		41,728,272	42,654,812
EQUITY			
Equity attributable to owners of the Company			
Share capital		167,656	158,054
Reserves		18,349,222	19,103,991
		18,516,878	19,262,045
Non-controlling interests		23,211,394	23,392,767
Total equity		41,728,272	42,654,812

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. Pursuant to a special resolution passed on 15 January 2018, the Company's name was changed from Times Property Holdings Limited to Times China Holdings Limited. The registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2022, the Company's subsidiaries were mainly involved in property development, urban redevelopment business and property leasing in the People's Republic of China (the "PRC").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd., which was incorporated in the British Virgin Islands ("BVI") and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the founder of the Company and the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 December 2013.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standard 34 *Interim Financial Reporting*.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

Going concern basis

Due to the serious downturn of property market in Mainland China, the pre-sales volume and collection of pre-sale proceeds were reduced. The Directors of the Group has evaluated the sustainable operation ability for 12 months from the end of the reporting period, which is affected by the macroeconomic environment, industry environment and credit environment superimposing the impact of multiple rounds of epidemic and came to an opinion that the liquidity risk of the Company is facing periodic challenges.

In view of aforesaid mentioned, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) The Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings.
- (ii) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables.

- (iii) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.
- (iv) The Group will continue to seek opportunities to dispose its assets or urban redevelopment projects.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2022. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2022. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to achieve the above mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendment to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRSs 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The adoption of the above revised IFRSs has had no significant financial effect on the interim condensed consolidated financial information and there have been no significant changes to the accounting policies applied in the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties
- (b) Urban redevelopment business: Sale of land held for development and other related activities
- (c) Property leasing: Property leasing (including the leasing of self-owned properties and subleasing of leased properties) and other related activities

The property development projects undertaken by the Group during the six months ended 30 June 2022 are all located in Mainland China.

Six months ended 30 June 2022	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	6,182,316	–	315,795	–	6,498,111
Intersegment sales	–	–	17,726	(17,726)	–
	6,182,316	–	333,521	(17,726)	6,498,111
Segment results	246,485	(97,350)	18,745	–	167,880
<i>Reconciliation:</i>					
Bank interest income					60,219
Unallocated corporate expenses					(108,845)
Finance costs (other than interest on lease liabilities)					(92,075)
Share of profits and losses of associates and joint ventures					46,360
Profit before tax					73,539

Six months ended 30 June 2021	Property development	Urban redevelopment business	Property leasing	Elimination	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	11,005,605	2,406,527	226,311	–	13,638,443
Intersegment sales	–	–	25,254	(25,254)	–
	11,005,605	2,406,527	251,565	(25,254)	13,638,443
Segment results	1,360,614	1,860,104	131,885	–	3,352,603
<i>Reconciliation:</i>					
Bank interest income					215,859
Unallocated corporate expenses					(154,916)
Finance costs (other than interest on lease liabilities)					(314,529)
Share of profits and losses of associates and joint ventures					211,107
Profit before tax					3,310,124

The following table presents the asset information of the Group's operating segments as at 30 June 2022 and 31 December 2021.

As at 30 June 2022	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	114,997,812	11,299,617	10,871,181	137,168,610
<i>Reconciliation:</i>				
Unallocated assets				<u>46,715,891</u>
Total assets				<u>183,884,501</u>
As at 31 December 2021	Property development	Urban redevelopment business	Property leasing	Total
(Audited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	114,531,165	15,186,364	10,449,028	140,166,557
<i>Reconciliation:</i>				
Unallocated assets				<u>58,226,491</u>
Total assets				<u>198,393,048</u>

The following table presents the liability information of the Group's operating segments as at 30 June 2022 and 31 December 2021.

As at 30 June 2022	Property development	Urban redevelopment business	Property leasing	Total
(Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	63,093,524	142,377	4,401,009	67,636,910
<i>Reconciliation:</i>				
Unallocated liabilities				<u>74,519,319</u>
Total liabilities				<u>142,156,229</u>
As at 31 December 2021	Property development	Urban redevelopment business	Property leasing	Total
(Audited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	69,231,133	2,858,858	4,827,064	76,917,055
<i>Reconciliation:</i>				
Unallocated liabilities				<u>78,821,181</u>
Total liabilities				<u>155,738,236</u>

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	6,182,316	13,412,132
<i>Revenue from other sources</i>		
Gross rental income from:		
Leases of self-owned properties	59,379	8,908
Subleases of leased properties	256,416	217,403
	6,498,111	13,638,443

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2022

The Group's revenue from contracts with customers is derived from sale of properties to external customers of property development segment in Mainland China, the revenue from contracts with customer is recognised at a point in time with properties transferred.

For the six months ended 30 June 2021

Segments	Property development	Urban redevelopment business	Total
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sale of properties	11,005,605	–	11,005,605
Urban redevelopment income	–	2,406,527	2,406,527
Total revenue from contracts with customers	11,005,605	2,406,527	13,412,132
Geographical market			
Mainland China	11,005,605	2,406,527	13,412,132

All revenue from contracts with customers for the Group is recognised at a point in time when the completed properties for property sales or assets for urban redevelopment project are transferred to customers.

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

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
<i>Other income</i>		
Bank interest income	60,219	215,859
Interest income from third parties and joint ventures	–	67,708
Consultation fee income	32,912	38,119
Management fee income	43,040	23,958
Compensation income	30,244	35,249
Government grant income	10,664	6,540
Others	46,461	28,483
	223,540	415,916
<i>Gains, net</i>		
Gain on change from a joint venture to a subsidiary	–	2,868
Gain on bargain purchase of a subsidiary	–	61,977
Gain on disposal of financial assets at fair value through profit or loss	–	230
Gain on repurchase of senior notes	158,156	–
Fair value gains on self-owned investment properties	–	60,024
Foreign exchange gain, net	–	2,940
Others	4	47
	158,160	128,086
	381,700	544,002

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	5,447,463	8,571,681
Cost of urban redevelopment business	–	408,760
Direct operating expenses (including repairs and maintenance) arising on leasing of self-owned properties	8,920	867
Cost of subleasing of leased properties	181,696	109,207
Depreciation of property, plant and equipment	47,469	63,108
Depreciation of right-of-use assets	21,264	24,041
Amortisation of other intangible assets	12,985	11,307
Changes in fair value of self-owned investment properties	31,026	(60,024)
Changes in fair value of sub-leased investment properties	102,155	131,697
Employee benefit expense (including Directors' remuneration):		
Wages and salaries	559,892	758,566
Pension scheme contributions	45,981	72,042
Less: Amount capitalised in properties under development	(242,856)	(362,498)
	363,017	468,110
Lease payments not included in the measurement of lease liabilities	3,534	1,999
Foreign exchange loss/(gain), net	115,620	(2,940)
Gain on disposal of items of property, plant and equipment	(100)	(11)
Gain on change from a joint venture to a subsidiary	–	(2,868)
Gain on bargain purchase of a subsidiary	–	(61,977)
Gain on repurchase of senior notes	(158,156)	–
Loss on derecognition of financial assets	–	48,000
Loss on disposal of a joint venture	32,378	–
Impairment losses on financial assets	2,123	67,756
Changes in fair value of derivative financial instruments	4,534	7,782
Premium paid on early redemption of senior notes	–	48,498

7. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expense	1,612,207	2,256,565
Interest on lease liabilities	107,756	108,326
Total interest expense on financial liabilities not at fair value through profit or loss	1,719,963	2,364,891
Less: Interest capitalised	(1,520,132)	(1,942,036)
	199,831	422,855

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the current and prior period.

PRC corporate income tax (“CIT”)

The Group’s income tax provision in respect of its operations in Mainland China has been calculated at the applicable tax rates on the taxable profits for both reporting periods, based on the existing legislation, interpretations and practices in respect thereof. Certain of the Group’s PRC subsidiaries enjoyed a preferential CIT rate of 15% during both reporting periods.

PRC land appreciation tax (“LAT”)

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of completed properties less deductible expenditures including cost of land, borrowing costs and relevant property development expenditures, and is included in profit or loss as income tax expense.

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current:		
CIT	245,432	1,252,792
LAT	62,919	398,629
Deferred	(265,957)	(264,613)
Total tax charge for the period	42,394	1,386,808

9. DIVIDENDS

The proposed 2021 final dividend of RMB7.87 cents per share, totalling RMB165,413,000, was approved by the Company's shareholders at the annual general meeting held on 27 May 2022. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position.

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 2,077,622,000 (six months ended 30 June 2021: 1,939,696,000) in issue during the period. There were no dilutive potential ordinary shares during six months ended 30 June 2022 and 2021.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the Company (RMB'000)	<u>23,752</u>	<u>1,628,877</u>
Weighted average number of ordinary shares in issue (in thousand)	<u>2,077,622</u>	<u>1,939,696</u>
Basic and diluted earnings per share (RMB cents per share)	<u>1</u>	<u>84</u>

11. TRADE RECEIVABLES

Trade receivables are mainly arisen from sales of completed properties, urban redevelopment business and property leasing. Considerations in respect of the completed properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements; receivables from urban redevelopment business are payable by government or customer in accordance with urban redevelopment contracts and rentals in respect of leased properties are generally received in accordance with contracts.

	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	<u>3,300,047</u>	<u>5,566,701</u>
Impairment	<u>(111,487)</u>	<u>(109,364)</u>
	<u>3,188,560</u>	<u>5,457,337</u>

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

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 3 months	1,192,580	3,699,240
4 to 6 months	–	–
7 to 12 months	289,865	434,767
Over 1 year	1,706,115	1,323,330
	<u>3,188,560</u>	<u>5,457,337</u>

12. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

	30 June 2022	31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 year	9,944,361	16,187,189
Over 1 year	1,033,419	2,198,252
	<u>10,977,780</u>	<u>18,385,441</u>

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

BUSINESS REVIEW

Overview

For the six months ended 30 June 2022, the Group recorded a revenue of RMB6,498.1 million, representing a decrease of 52.4% when compared with the same period for the six months ended 30 June 2021. Profit for the six months ended 30 June 2022 amounted to RMB31.1 million, representing a decrease of 98.4% when compared with that for the six months ended 30 June 2021. The core net profit for the six months ended 30 June 2022 (excluding changes in fair value of self-owned investment properties, and net of the impact of related deferred tax, premium paid on early redemption of senior notes and changes in fair value of derivative financial instruments) decreased to RMB58.9 million, representing a decrease of 97.0% when compared with that for the six months ended 30 June 2021. Profit attributable to the owners of the Company amounted to RMB23.8 million, representing a decrease of 98.5% as compared to that for the six months ended 30 June 2021. Basic and diluted earnings per share for the six months ended 30 June 2022 were RMB1 cent (for the six months ended 30 June 2021: RMB84 cents).

Property Development

The Group focuses on the major core cities in the Pearl River Delta region. As at 30 June 2022, the Group had 144 major projects in various stages in total, including 132 projects in major cities of Guangdong Province, namely Guangzhou, Foshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Zhongshan, Qingyuan, Zhaoqing, Shantou, Shanwei and Heyuan, 6 projects in Changsha, Hunan Province, 1 project in Wuhan, Hubei Province, 2 projects in Chengdu, Sichuan Province, 2 projects in Hangzhou Area, Zhejiang Province and 1 project in Nanjing, Jiangsu Province. For the six months ended 30 June 2022, the Group's contracted sales⁽¹⁾ amounted to approximately RMB27.46 billion with a total GFA of approximately 1,651,000 sq.m.. The Group focuses in its projects on peripheral facilities, seeking to enrich customers' experience in arts and to fulfill needs of the middle to upper class households.

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for the six months ended 30 June 2022:

Project	Number of available for sale projects	Aggregate sales area this year (sq. m.)	Aggregate sales amount this year (RMB million)	Aggregate average sales price this year (RMB/sq. m.)
Guangzhou	30	554,000	12,816	23,134
Foshan	28	305,000	4,782	15,679
Changsha	6	165,000	1,728	10,473
Dongguan	10	185,000	3,580	19,351
Qingyuan	6	67,000	511	7,627
Zhuhai	12	84,000	946	11,262
Zhongshan	6	35,000	474	13,543
Huizhou	5	23,000	289	12,565
Chengdu	2	12,000	209	17,417
Zhaoqing	3	54,000	466	8,630
Jiangmen	7	87,000	682	7,839
Heyuan	1	27,000	191	7,074
Shantou	1	7,000	77	11,000
Shanwei	1	19,000	120	6,316
Wuhan	1	9,000	51	5,667
Nanjing	1	13,000	429	33,000
Hangzhou Area	2	5,000	106	21,200
Total	122	1,651,000	27,457	16,631

Urban Redevelopment Business

The Group has successfully converted 1 urban redevelopment project in Guangzhou with a total saleable GFA of approximately 52,000 sq.m. and was included in the land reserves during the Period.

Properties for Leasing and Sub-leasing

As at 30 June 2022, the Group held a GFA of approximately 29,748 sq.m. and 253 car parking spaces at Times Property Center, a GFA of approximately 37,576 sq.m. and 242 car parking spaces at Block No. 26 of Times King City (Zhongshan), and a GFA of approximately 64,800 sq.m. at Times E-Park (Tianhe) Phase II for rental purposes, and the GFA for Guangzhou Times Commercial Management Co., Ltd. and its subsidiaries for sub-leasing purposes was approximately 761,303 sq.m.. For the six months ended 30 June 2022, the Group's rental income amounted to RMB315.8 million, accounting for 4.9% of its total revenue.

Land Reserves

As at 30 June 2022, the Group had total land reserves of approximately 19.1 million sq.m., which the Group believes will be sufficient to support its development need for the next two to three years. The table below sets forth the information on land reserves in major cities where the Group has established footholds:

Region	Total land reserves	
	(sq.m.)	(%)
Guangzhou	4,111,303	21.5
Qingyuan	3,889,535	20.3
Foshan	3,032,991	15.8
Huizhou	1,297,112	6.8
Jiangmen	1,449,177	7.6
Changsha	999,269	5.2
Dongguan	1,161,452	6.1
Zhongshan	700,555	3.7
Zhuhai	556,906	2.9
Zhaoqing	924,399	4.8
Wuhan	284,018	1.5
Chengdu	165,659	0.9
Heyuan	61,432	0.3
Hangzhou Area	294,802	1.5
Shantou	55,654	0.3
Shanwei	65,017	0.3
Nanjing	98,427	0.5
Total	19,147,708	100.0

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as at 30 June 2022⁽¹⁾:

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	-	30,520	-	-	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	23,170	-	-	91
Guangzhou Tianhe Project (Pige Factory Project)	Industrial	Pending	-	-	-	-	-	70
Yun Du Hui	Apartment and commercial	2015	17,480	-	35	-	-	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	-	6,160	-	-	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	-	91,350	-	-	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	-	74,199	-	-	100
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	-	351	-	-	100
Times Cloud Port (Huadu)	Residential and commercial	2020	29,959	707	9,600	-	-	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	1,011	9,280	-	-	100
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	8,808	84	-	-	95
B2-2 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2019	61,145	12,721	49,260	-	-	100
B2-1 land parcel, Sino-Singapore Knowledge City	Residential and commercial	2016-2019	103,890	4,392	987	-	-	100
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	6,367	1,286	-	-	100
Project of Shigang Road, Haizhu District	Residential and commercial	2022	20,211	-	-	71,038	13,830	60
Times Fairy Land	Residential and commercial	2019	20,076	4,729	17,483	-	-	91
Times Forture	Residential and commercial	2018	20,177	2,340	33,356	-	-	100
Times The Shore	Residential and commercial	2020	53,985	-	42,376	-	-	100
Times Elegance (Zengcheng)	Residential and commercial	2020	24,825	-	26,965	-	-	87
Times King City (Sino-Singapore)	Residential and commercial	2020-2021	90,976	145,017	77,603	-	-	51
Times King City (Sino-Singapore)	Residential and commercial	2024	31,509	-	-	98,138	52,970	70

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Times City (Guangzhou)	Residential and commercial	2021-2027	178,038	58,835	33,590	249,778	65,520	51
Times Yunlai (Guangzhou)	Residential and commercial	2021-2022	67,695	37,935	56,957	33,652	33,667	60
Times Longfor Dream Land	Residential and commercial	2021-2023	81,178	14,677	-	109,582	71,065	17
Project of Times China Bay Area Headquarter, Nansha District, Guangzhou	Commercial	2025	11,447	-	-	128,377	50,122	100
Times Realm (Guangzhou)	Residential and commercial	2023	44,995	-	-	114,670	67,168	51
Times Impression (Guangzhou)	Residential and commercial	2021-2024	102,948	47,907	26,240	272,954	39,388	75
Times Classic (Zengcheng)	Residential and commercial	2021-2024	77,530	19,251	-	129,337	95,585	75
Times Horizon (Huangpu)	Residential and commercial	2022-2024	100,321	-	-	361,639	167,812	70
Times Flourism (Huangpu)	Residential and commercial	2023	23,467	-	-	63,137	34,204	100
Times Rhythm (Guangzhou)	Residential and commercial	2022-2023	110,168	-	-	397,857	114,306	50
Golden Field Yuefu	Residential and commercial	2021-2022	33,321	653	1,201	162,885	71,561	30
Times Realm (Huadu)	Residential and commercial	2023	20,819	-	-	41,182	11,151	69
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	-	31,570	-	-	100
Times City (Foshan)	Residential and commercial	2010-2017	505,776	-	92,817	-	-	100
Times City (Foshan) Phase V, VI	Residential and commercial	2016	12,860	-	3,084	-	-	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	-	23,870	-	-	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	-	355	-	-	91
Golden Lotus (Foshan)	Residential and commercial	2017	20,464	-	2,310	-	-	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	-	910	-	-	100
Times Riverbank (Foshan)	Residential and commercial	2017	64,697	-	15,805	-	-	100
Times The Shore (Foshan)	Residential and commercial	2017	51,457	-	7,753	-	-	100
Times Classic (Foshan)	Residential and commercial	2018	35,383	-	15,342	-	-	100
Times Riverbank (Foshan) Phase II	Residential and commercial	2018-2019	111,658	-	682	-	-	100
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	4,072	29,924	-	-	91
Timing Home	Residential and commercial	2019	40,794	4,681	18,592	-	-	100
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	892	30,908	-	-	100
Mt. Tittlis (Foshan)	Residential and commercial	2019	117,893	-	3,075	-	-	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Project of Juxian, Nanshan, Sanshui, Foshan	Residential and commercial	2020	49,125	12,907	36,304	–	–	100
Project of Aoli Garden, Datang, Sanshui, Foshan	Residential and commercial	2018-2019	91,760	14,427	64,543	–	–	80
Project of Xinya, Nanhai, Foshan	Residential and commercial	2020	41,772	28,891	22,816	–	–	60
Times Starry Mansion (Foshan)	Residential and commercial	2018-2019	37,835	–	35,132	–	–	75
Times Merchants Tianxi (Foshan)	Residential and commercial	2021	43,518	31,356	18,803	–	–	50
Times Realm (Foshan)	Residential and commercial	2021-2022	67,579	82,764	76,931	–	–	100
Poly Times (Foshan)	Residential and commercial	2022	48,498	90,262	3,687	–	35,088	49
Toplus (Foshan)	Residential and commercial	2021-2024	120,487	20,406	7,400	227,299	99,547	33
Times Memory (Foshan)	Residential and commercial	2021-2022	62,063	48,477	44,258	116,497	11,565	51
Foshan Dali Yanjiang Road Project	Residential and commercial	2021-2022	36,313	21,979	41,427	–	–	100
Hexiquan Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	12,688	3,128	9,920	–	–	33
Foshan's Shunde Lunjiao Project	Residential and commercial	2022	38,654	33,690	2,015	–	34,932	51
Times Global Chuangke Town	Residential and commercial	2022-2023	223,952	–	–	583,384	222,396	75
Panjian Project in Shuitou Industrial Zone, Nanhai, Foshan	Residential and commercial	2022	11,304	–	–	36,413	11,617	33
Times Cloud Atlas (Sanshui) Phase II	Residential and commercial	2022	26,658	52,457	127	–	10,116	100
Chuangke Phase II	Residential and commercial	2023-2024	119,035	–	–	397,403	50,228	24
Chabo City, Nanhai, Foshan	Residential and commercial	2024	31,120	–	–	91,707	14,050	67
Jiangmen								
Times King City (Heshan)	Residential and commercial	2019-2020	120,804	49,967	43,292	–	–	70
Lake Forest	Residential and commercial	2020-2022	316,980	85,080	109,291	204,971	18,228	51
Central Park Living	Residential and commercial	2019	90,034	15,386	39,960	–	–	100
Times Horizon (Heshan)	Residential and commercial	2020-2022	49,735	4,858	36,969	–	–	90
Central Park Living (Heshan) Phase II	Residential and commercial	2020-2024	119,153	–	35,843	134,322	24,596	91
Times Elegance (Heshan)	Residential and commercial	2022-2024	187,782	–	–	477,223	137,674	51
Times King City (Jiangmen)	Residential and commercial	2020	34,674	2,081	29,436	–	–	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhuhai								
Eolia City (Zhuhai) Phase VI	Residential and commercial	2013-2014	51,003	–	525	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,750	–	–	100
Times King City (Zhuhai) Phase I	Residential and commercial	2015	52,950	–	6,615	–	–	100
Times King City (Zhuhai) Phases II, III and IV	Residential and commercial	2016-2017	198,204	–	3,708	–	–	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	17,126	–	–	100
Baoli Xiangbin Huayuan Project	Residential and commercial	2017	77,206	–	5,754	–	–	49
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	1,708	49,318	–	–	100
Zhuhai Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	–	37,971	–	–	100
Times King City (Zhuhai) Phase V	Residential and commercial	2018	17,791	–	13,112	–	–	80
Times Poly TOPlaza (Zhuhai)	Residential and commercial	2019-2022	60,138	17,590	71,107	74,812	–	50
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2020	20,000	7,357	9,504	–	–	100
Times Horizon II	Residential and commercial	2020	11,393	8,741	8,353	–	–	50
Times Horizon III	Residential and commercial	2021	23,712	47,457	18,691	–	–	50
Times Horizon I	Residential	2020	9,540	12,200	6,693	–	–	38
Times Horizon IV	Residential and commercial	2021-2022	48,432	44,802	114	47,565	37,333	38
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	33,775	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)	Residential and commercial	2020-2022	132,290	92,000	90,520	–	44,849	93
Sanxi Village Project (Zhongshan)	Residential and commercial	2019	39,351	4,533	29,624	–	–	91
Baoyi Project (Zhongshan)	Residential and commercial	2020	26,256	1,478	21,234	–	–	100
Jieyue Project of Times North Shore (Zhongshan)	Residential and commercial	2019	25,672	1,353	19,103	–	–	73
Guanfu Project of Times North Shore (Zhongshan)	Residential and commercial	2020	24,328	2,426	18,806	–	–	73
Project of Qijiang New Town, Zhongshan	Residential and commercial	2023-2024	87,272	–	–	243,532	96,755	51

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	31,256	59,629	–	–	100
Times Garden (Qingyuan) (Phase I)	Residential and commercial	2016	70,650	–	33,086	–	–	100
Times Garden (Qingyuan) (Phase II)	Residential and commercial	2019-2020	84,440	7,674	11,601	–	–	100
Fogang Shilian Project	Residential and commercial	2026	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	2024-2025	477,020	–	–	418,725	49,361	58
The Shore (Qingyuan) Jiada Feilai Lake Project	Residential and commercial	2024-2025	91,127	–	–	331,466	103,810	100
The Shore (Qingyuan) Wanda West Project	Residential and commercial	2019	68,840	10,665	80,632	–	–	90
Fogang Songfeng Project (Qingyuan)	Residential and commercial	2021-2022	118,164	49,630	33,636	235,500	91,286	70
Times The Shore II (Qingyuan) Hengda Feilai Lake Project	Residential and commercial	2019-2023	133,102	8,917	–	309,225	84,492	64
Feilai South Road Project (Qingyuan)	Residential and commercial	2024-2025	23,137	–	–	71,498	30,832	100
Times Sweet (Qingyuan)	Residential and commercial	2019-2020	28,620	16,946	34,384	–	–	100
Xinteng Project (Qingyuan)	Residential and commercial	2022-2025	123,987	64,773	1,100	285,758	105,117	75
Project of Hengfeng (Qingyuan)	Residential and commercial	2024	53,164	–	–	143,663	50,231	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2024	649,862	–	121,462	247,058	99,456	100
Times Prime (Changsha)	Residential and commercial	2020	48,017	10,428	32,761	–	–	100
Times Memory (Changsha)	Residential and commercial	2021	39,722	5,373	24,624	–	–	100
Times Mt. Tittlis (Meixi)	Residential and commercial	2021-2022	71,041	13,777	2,629	–	54,439	100
Project of Huangtuling, Yuhua District, Changsha	Commercial	2022	8,848	–	–	56,583	12,826	80
S16 Series Land Parcel, Moon Island, Changsha	Residential and commercial	2023-2024	121,666	–	–	244,293	73,560	51

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Dongguan								
Times King City (Dongguan)	Residential and commercial	2018	55,792	1,845	692	–	–	100
Times Realm (Dongguan)	Residential and commercial	2018-2020	79,190	13,853	39,120	–	–	100
Times Thriving City (Dongguan)	Residential and commercial	2018-2020	42,519	5,506	15,483	–	–	100
Acquisition Project of Xiaohe Road, Daoqiang Town (Dongguan)	Residential and commercial	2019-2022	56,298	8,658	15,491	75,066	11,942	60
Project of Luwu Village, Changping Town (Dongguan)	Residential and commercial	2019-2020	26,345	11,111	–	–	23,791	17
Shipai Town Project (Dongguan)	Residential and commercial	2019-2022	95,977	20,766	–	2,250	46,243	13
Project of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021	22,451	21,516	19,269	–	–	51
Project of Land Parcel II of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2021-2023	38,096	36,574	29,601	12,890	22	49
Project of Dingshan, Houjie Town, Dongguan	Residential and commercial	2023	69,524	–	–	213,279	64,976	33
Land Parcel 014 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	41,837	–	–	107,256	33,809	51
Land Parcel 016 of Douchizhou, Zhongtang Town, Dongguan	Residential and commercial	2022	27,572	–	–	83,494	27,423	49
Project of Liaoxia, Houjie, Dongguan	Residential and commercial	2024	104,561	–	–	192,017	27,509	15
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2020-2024	284,414	99,559	70,332	280,175	161,481	49
Golden Totus (Huizhou)	Residential and commercial	2020	23,459	10,263	25,796	–	–	80
Vantin Casa (Huiyang)	Residential and commercial	2020	71,274	7,460	43,051	–	–	100
Sanhe Road Housing Estate (Huizhou)	Residential and commercial	2025	62,000	–	–	121,389	45,783	80
Project of Baiyunshan Town, Zhongkai District, Huizhou	Residential and commercial	2022-2024	93,628	–	–	309,883	121,940	100
Chengdu								
Times Blossom (Chengdu)	Residential and commercial	2020	30,429	9,698	21,960	–	–	100
Times Realm (Chengdu)	Residential and commercial	2021-2022	38,338	1,924	4,736	63,822	63,519	100

Project	Project type	Actual/ expected completion dates	Site area (sq.m.)	Completed		Under development/ future development		Ownership interest ⁽⁵⁾ (%)
				GFA for sale ⁽²⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	GFA for sale ⁽⁴⁾ (sq.m.)	Other GFA ⁽³⁾ (sq.m.)	
Zhaoqing								
Times Bund (Zhaoqing)	Residential and commercial	2020	59,677	18,841	39,780	–	–	100
Project of Fenghuang Avenue, Zhaoqing New District	Residential and commercial	2022	51,385	–	–	181,709	40,700	100
Times Shimao Riverbank (Zhaoqing)	Residential and commercial	2023-2026	59,394	–	–	185,847	29,632	50
Times Xinghu Memory (Zhaoqing)	Residential and commercial	2023-2024	43,031	–	–	131,412	36,840	100
Times Impression (Zhaoqing)	Residential and commercial	2025	69,999	–	–	208,739	50,899	100
Shantou								
Times Horizon (Shantou)	Residential and commercial	2022	36,230	10,082	–	–	45,572	100
Shanwei								
Times Riverbank (Haifeng)	Residential and commercial	2021	27,612	22,258	42,759	–	–	100
Hangzhou Area								
Times Realm (Hangzhou)	Residential and commercial	2023	26,861	–	–	61,843	31,871	80
Project of Longduhu, Xucun Town, Haining	Residential and commercial	2023	46,938	–	–	138,778	62,310	43
Heyuan								
Times King City (Heyuan)	Residential and commercial	2021	44,470	3,369	58,063	–	–	60
Wuhan								
Times Mark (Wuhan)	Residential and commercial	2022-2024	78,037	–	–	217,537	66,481	50
Nanjing								
Land Parcel from East to Zhijia Garden, West to Magao Road, Maqun Street, Qixia District, Nanjing	Residential	2023	32,844	–	–	71,816	26,611	28
			11,866,652	1,748,803	2,879,851	10,963,071	3,555,983	

Notes:

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but has not obtained the requisite construction permits, or (ii) the Group has signed a land grant contract with the relevant government authority, but has not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.
- (2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (3) “Other GFA” mainly comprises car parks and ancillary facilities.
- (4) “GFA for sale” and “GFA under development and GFA held for future development” are derived from the Group’s internal records and estimates.
- (5) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.

Acquisitions of land parcels for the six months ended 30 June 2022

The Group expanded its land reserves through conversion of urban redevelopment projects during the Period. For the six months ended 30 June 2022, the Group acquired 1 parcel of land in Guangzhou, and the land acquisition cost attributable to the Company amounted to a total of approximately RMB413.0 million.

Location (City) of projects	Number of projects	Expected total GFA <i>(sq.m.)</i>	Total land costs <i>(RMB million)</i>	Total land costs <i>(RMB million)</i> (attributable to the Company)
Guangzhou	1	52,334	596	413
Total	1	52,334	596	413

MARKET REVIEW

As of 30 June 2022, the transaction volume shrank across the whole real estate industry. According to the National Bureau of Statistics, the saleable area of commercial properties reached 689.23 million sq.m. nationwide, representing a decrease of 22.2 percentage points on a year-on-year basis. The transaction volume of commercial properties reached RMB6,607.2 billion, representing a decrease of 28.9 percentage points on a year-on-year basis. Due to the impact of COVID-19, transactions in economically active eastern provinces were affected more seriously. The sales growth rates of commercial properties in Zhejiang, Jiangsu and Guangdong were -45%, -42% and -31% respectively, which were lower than the year-on-year sales growth rates of the whole country.

The national residential land market was sluggish. According to statistics from China Index Academy, the national residential land transaction value was RMB1.46 trillion, which decreased by 53.6% on a year-on-year basis. Among which, the growth rate of residential land transaction value in first-tier cities, second-tier cities and third-and-fourth-tier cities was -44.5%, -54.7% and -55.4%, respectively.

Prospects

Looking forward to the second half of 2022, uncertain factors such as the international situation and the epidemic continue to restrict economic recovery, and the downward pressure on the economy in the second half of the year will still be great. The monetary policies look to be stable and easing while the fiscal policies look to be more positive.

The transformation of the old and new development models of the industry has been firmly advanced, and the industry shall continue to undergo in-depth adjustment, and return to the stable new normal. Local governments will continue to apply city-specific policies, and strengthen the degree of relaxation of regulatory policies, so as to support reasonable housing demands. The real estate finance will continue to be managed prudently. The real estate enterprises have experienced restrictions on refinancing, while personal mortgage loans will be granted in a stable and orderly manner, and the mortgage interest rate has therefore dropped. With the promulgation of various policies for the stabilization of the real estate market, the real estate market is expected to bottom out and stabilize. The regional market experienced differentiation. With the support from the industrial population and strong policy relaxation, the market in first-and-second tier cities recovered in a faster pace, while the downward pressure on other cities remains relatively high.

The Group will adhere to aggressive sales strategies, closely monitor receivables, reduce costs and enhance efficiency, and maintain a stable operating cash flow. The Group will continue to optimize the structure of urban redevelopment projects, accelerate the conversion of urban redevelopment project and investment return. We will actively manage our debt, optimize debt structure, accelerate the disposal of non-core assets and sustain stable operation.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property development, urban redevelopment business and property leasing and sub-leasing, which contributed approximately 95.1%, 0.0% and 4.9% respectively of the revenue for the six months ended 30 June 2022. The Group's revenue decreased by RMB7,140.3 million, or 52.4%, to RMB6,498.1 million for the six months ended 30 June 2022 from RMB13,638.4 million for the six months ended 30 June 2021. Such decrease was primarily attributable to the delay in construction progress as caused by capricious COVID-19 pandemic in Mainland China, which has affected the delivery of the properties for the six months ended 30 June 2022.

Property development

The Group's revenue from sales of properties decreased by RMB4,823.3 million, or 43.8%, to RMB6,182.3 million for the six months ended 30 June 2022 from RMB11,005.6 million for the six months ended 30 June 2021, which was mainly due to the delay in construction progress as caused by capricious COVID-19 pandemic in Mainland China, which has affected the delivery of the properties for the six months ended 30 June 2022. The projects that contributed significantly to the Group's revenue for the six months ended 30 June 2022 mainly included Times Yunlai (Guangzhou), Times Memory (Foshan), Times Horizon (Shantou), Times Memory (Guangzhou) and Times Favorite Car Town.

Urban redevelopment business

The Group has successfully converted 1 urban redevelopment project in Guangzhou with a total saleable GFA of approximately 52,000 sq.m. and was included in the land reserves during the Period.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB89.5 million, or 39.5%, to RMB315.8 million for the six months ended 30 June 2022 from RMB226.3 million for the six months ended 30 June 2021. The increase was primarily due to the increase in leased projects and area during the Period.

Cost of sales

The Group's cost of sales decreased by RMB3,452.4 million, or 38.0%, to RMB5,638.1 million for the six months ended 30 June 2022 from RMB9,090.5 million for the six months ended 30 June 2021. The decrease was primarily attributable to the decrease of area delivered in property sales as compared with the corresponding period in 2021.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB3,687.9 million, or 81.1%, to RMB860.0 million for the six months ended 30 June 2022 from RMB4,547.9 million for the six months ended 30 June 2021. For the six months ended 30 June 2022, the Group's gross profit margin decreased to 13.2% from 33.3% for the six months ended 30 June 2021. The decrease was primarily due to no revenue from urban redevelopment business with higher gross profit margin for the six months ended 30 June 2022 and higher proportion of revenue from projects with lower gross profit margins.

Other income and gains

The Group's other income and gains decreased to RMB381.7 million for the six months ended 30 June 2022 from RMB544.0 million for the six months ended 30 June 2021, which was primarily attributable to the decrease in bank interest income for the six months ended 30 June 2022 as compared with the six months ended 30 June 2021.

Selling and marketing costs

The Group's selling and marketing costs decreased by RMB311.2 million, or 53.5%, to RMB270.9 million for the six months ended 30 June 2022 from RMB582.1 million for the six months ended 30 June 2021. The decrease was mainly due to the strict control over the marketing costs by the Group.

Administrative expenses

The Group's administrative expenses decreased by RMB176.5 million, or 25.4%, to RMB519.3 million for the six months ended 30 June 2022 from RMB695.8 million for the six months ended 30 June 2021. The decrease was mainly due to the strict control over the administrative expenses by the Group.

Other expenses

The Group's other expenses decreased by RMB67.6 million, or 23.1%, to RMB224.6 million for the six months ended 30 June 2022 from RMB292.2 million for the six months ended 30 June 2021. The decrease was primarily attributable to no expense on premium paid on early redemption of senior notes in the Period.

Finance costs

The Group's finance costs decreased to RMB199.8 million for the six months ended 30 June 2022 from RMB422.9 million for the six months ended 30 June 2021. The decrease was primarily due to the decrease in interest-bearing liabilities of the Group.

Income tax expense

The Group's income tax expenses decreased by RMB1,344.4 million, or 96.9%, to RMB42.4 million for the six months ended 30 June 2022 from RMB1,386.8 million for the six months ended 30 June 2021. The decrease was primarily attributable to the decrease in the Group's taxable profit for the six months ended 30 June 2022.

Profit for the Period

The Group's profit for the Period decreased by RMB1,892.2 million, or 98.4%, to RMB31.1 million for the six months ended 30 June 2022 from RMB1,923.3 million for the six months ended 30 June 2021. Basic and diluted earnings per share for the six months ended 30 June 2022 were RMB1 cent (for the six months ended 30 June 2021: RMB84 cents).

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company decreased by RMB1,605.1 million, or 98.5%, to RMB23.8 million for the six months ended 30 June 2022 from RMB1,628.9 million for the six months ended 30 June 2021. Core net profit attributable to the owners of the Company decreased by RMB1,588.5 million, or 96.9%, to RMB51.6 million for the six months ended 30 June 2022 from RMB1,640.1 million for the six months ended 30 June 2021.

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2022, the carrying balance of the Group's cash and bank deposits was approximately RMB9,637.2 million (31 December 2021: RMB20,657.2 million), representing a decrease of 53.4% when compared with that of 31 December 2021. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the regulatory accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 30 June 2022, the amount of the Group's restricted bank deposits was RMB3,995.3 million (31 December 2021: RMB5,938.9 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing bank loans and other borrowings (excluding interests payables) of approximately RMB49,310.2 million as at 30 June 2022. Borrowings that are due within one year increased from RMB11,019.6 million as at 31 December 2021 to RMB15,674.0 million as at 30 June 2022, and approximately RMB32,606.8 million of borrowings are due within two to five years and approximately RMB1,029.4 million of borrowings are due in over five years. As at 30 June 2022, the Group's outstanding loans were secured partially by part of the investment properties, trade receivables, inventories of properties and the property, plant and equipment with a carrying value of approximately RMB962.0 million, RMB1,557.0 million, RMB4,883.8 million and RMB673.3 million, respectively. As at 30 June 2022, equity interests of certain subsidiaries of the Group were pledged as security for certain of the Group's interest-bearing bank and other borrowings.

Details of the equity or debt securities issued by the Company and/or its subsidiaries during the Period are set out below:

(a) Placing

Reference is made to the announcement of the Company dated 27 January 2022 (the "2022 Placing Announcement"). The Group successfully raised gross proceeds of approximately HK\$400.2 million through the placing of 117,700,000 existing shares of the Company (the "Shares") (the "2022 Placing") at the placing price of HK\$3.40 per Share for debt repayment and general corporate purposes. The Company subsequently allotted and issued 117,700,000 new Shares to Asiaciti Enterprises Ltd.

Upon the completion of the 2022 Placing, the Company received gross proceeds of approximately HK\$400.2 million and net proceeds, after deducting all applicable costs and related expenses, of approximately HK\$393.6 million, representing a net issue price of approximately HK\$3.34 per 2022 placing share.

As at the date of this announcement, the Group has utilized 50% of the net proceeds from the 2022 Placing for debt repayment and 50% of the net proceeds for general corporate purposes, which were consistent with the purposes disclosed in the 2022 Placing Announcement.

(b) USD 5.55% Senior Notes due 2024

On 4 June 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD400,000,000 (equivalent to approximately RMB2,684,560,000) (the "USD 5.55% Senior Notes issued in June 2021"). On 27 July 2021, the Company issued 5.55% senior notes due 2024 in a principal amount of USD100,000,000 (equivalent to approximately RMB671,144,000) (the "USD 5.55% Senior Notes issued in July 2021"). The USD 5.55% Senior Notes issued in June 2021 and the USD 5.55% Senior Notes issued in July 2021 were consolidated and formed a single series, collectively as the "USD 5.55% Senior Notes due 2024". The USD 5.55% Senior Notes due 2024 are listed on the Stock Exchange and bear interest from and including 4 June 2021 at the rate of 5.55% per annum, payable semi-annually in arrears.

(c) USD 5.30% Senior Notes due 2022

On 22 April 2021, the Company issued 5.30% senior notes due 2022 in a principal amount of USD200,000,000 (equivalent to approximately RMB1,342,280,000) (the “USD 5.30% Senior Notes due 2022”). The USD 5.30% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 22 April 2021 at the rate of 5.30% per annum, payable semi-annually in arrears. The Company has repaid all the principal amount and interest on 20 April 2022.

(d) USD 5.75% Senior Notes due 2027

On 14 January 2021, the Company issued 5.75% senior notes due 2027 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,348,990,000) (the “USD 5.75% Senior Notes due 2027”). The USD 5.75% Senior Notes due 2027 are listed on the Stock Exchange and bear interest from and including 14 January 2021 at the rate of 5.75% per annum, payable semi-annually in arrears.

(e) USD 6.20% Senior Notes due 2026

On 22 September 2020, the Company issued 6.20% senior notes due 2026 in a principal amount of USD350,000,000 (equivalent to approximately RMB2,348,990,000) (the “USD 6.20% Senior Notes issued in September 2020”). On 17 March 2021, the Company issued 6.20% senior notes due 2026 in a principal amount of USD100,000,000 (equivalent to approximately RMB671,140,000) (the “USD 6.20% Senior Notes issued in March 2021”). The USD 6.20% Senior Notes issued in September 2020 and the USD 6.20% Senior Notes issued in March 2021 are consolidated and formed a single series, collectively as the “USD 6.20% Senior Notes due 2026”. The USD 6.20% Senior Notes due 2026 are listed on the Stock Exchange and bear interest from and including 22 September 2020 at the rate of 6.20% per annum, payable semi-annually in arrears.

(f) RMB 5.94% Non-Public Domestic Corporate Bonds due 2024

On 21 August 2020, Guangzhou Times Holdings Co., Ltd.* (廣州市時代控股有限公司) (“Guangzhou Times”) issued non-public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,100,000,000 (“RMB 5.94% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.94% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 24 August 2020 at the rate of 5.94% per annum, payable annually in arrears.

(g) RMB 5.68% Non-Public Domestic Corporate Bonds due 2024

On 3 August 2020, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 5.68% per annum at a par value of RMB500,000,000 (“RMB 5.68% Non-Public Domestic Corporate Bonds due 2024”) for a term of four years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the second year, while investors are entitled to sell back. RMB 5.68% Non-Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 4 August 2020 at the rate of 5.68% per annum, payable annually in arrears.

(h) RMB 5.94% Public Domestic Corporate Bonds due 2025

On 16 July 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.94% per annum at a par value of RMB1,600,000,000 (“RMB 5.94% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.94% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 17 July 2020 at the rate of 5.94% per annum, payable annually in arrears.

(i) USD 6.75% Senior Notes due 2025

On 8 July 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD300,000,000 (equivalent to approximately RMB2,013,420,000) (the “USD 6.75% Senior Notes issued in July 2020”). On 30 October 2020, the Company issued 6.75% senior notes due 2025 in a principal amount of USD250,000,000 (equivalent to approximately RMB1,677,850,000) (the “USD 6.75% Senior Notes issued in October 2020”). The USD 6.75% Senior Notes issued in July 2020 and the USD 6.75% Senior Notes issued in October 2020 were consolidated and formed a single series, collectively as the “USD 6.75% Senior Notes due 2025”. The USD 6.75% Senior Notes due 2025 are listed on the Stock Exchange and bear interest from and including 8 July 2020 at the rate of 6.75% per annum, payable semi-annually in arrears.

(j) RMB 5.24% Public Domestic Corporate Bonds due 2025

On 26 May 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.24% per annum at a par value of RMB2,500,000,000 (“RMB 5.24% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.24% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 27 May 2020 at the rate of 5.24% per annum, payable annually in arrears.

(k) RMB 5.10% Public Domestic Corporate Bonds due 2025

On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.10% per annum at a par value of RMB1,550,000,000 (“RMB 5.10% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.10% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 5.10% per annum, payable annually in arrears.

(l) RMB 6.30% Public Domestic Corporate Bonds due 2027

On 26 March 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.30% per annum at a par value of RMB950,000,000 (“RMB 6.30% Public Domestic Corporate Bonds due 2027”) for a term of seven years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.30% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 30 March 2020 at the rate of 6.30% per annum, payable annually in arrears.

(m) RMB 5.00% Public Domestic Corporate Bonds due 2025

On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 5.00% per annum at a par value of RMB740,000,000 (“RMB 5.00% Public Domestic Corporate Bonds due 2025”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 5.00% Public Domestic Corporate Bonds due 2025 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 5.00% per annum, payable annually in arrears.

(n) RMB 6.20% Public Domestic Corporate Bonds due 2027

On 21 February 2020, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.20% per annum at a par value of RMB575,000,000 (“RMB 6.20% Public Domestic Corporate Bonds due 2027”) for a term of seven years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the fifth year, while investors are entitled to sell back. RMB 6.20% Public Domestic Corporate Bonds due 2027 are listed on the Shanghai Stock Exchange and bear interest from and including 24 February 2020 at the rate of 6.20% per annum, payable annually in arrears.

(o) USD 6.75% Senior Notes due 2023

On 16 July 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD400,000,000 (approximately equivalent to RMB2,684,560,000) (the “USD 6.75% Senior Notes issued in July 2019”). On 4 September 2019, the Company issued 6.75% senior notes due 2023 in a principal amount of USD100,000,000 (approximately equivalent to RMB671,140,000) (the “USD 6.75% Senior Notes issued in September 2019”). The USD 6.75% Senior Notes issued in July 2019 and the USD 6.75% Senior Notes issued in September 2019 were consolidated and formed a single series which are referred to as the “USD 6.75% Senior Notes due 2023”. The USD 6.75% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 16 July 2019 at the rate of 6.75% per annum, payable semi-annually in arrears.

(p) RMB 6.80% Public Domestic Corporate Bonds due 2024

On 6 June 2019, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 6.80% per annum at a par value of RMB500,000,000 (“RMB 6.80% Public Domestic Corporate Bonds due 2024”) for a term of five years in the PRC. RMB 6.80% Public Domestic Corporate Bonds due 2024 are listed on the Shanghai Stock Exchange and bear interest from and including 10 June 2019 at the rate of 6.80% per annum, payable annually in arrears.

(q) RMB 7.50% Public Domestic Corporate Bonds due 2023

On 7 December 2018, Guangzhou Times issued public domestic corporate bonds at a coupon rate of 8.10% per annum at a par value of RMB1,900,000,000 (“RMB 8.10% Public Domestic Corporate Bonds due 2023”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.10% Public Domestic Corporate Bonds due 2023 are listed on the Shanghai Stock Exchange and bear interest from and including 10 December 2018 at the rate of 8.10% per annum, payable annually in arrears. In November 2021, the holders of RMB 8.10% Public Domestic Corporate Bonds due 2023 have registered to sell back 14,000,000 bonds at a price of RMB100 each. The Group has repaid these registered sold-back bonds in the amount of RMB1,400,000,000 on 10 December 2021. Since 10 December 2021, the annual interest rate of the bonds has been reduced from 8.10% to 7.50% (“RMB 7.50% Public Domestic Corporate Bonds due 2023”).

(r) USD 6.60% Senior Notes due 2023

On 30 November 2017, the Company issued 6.60% senior notes due 2023 (the “USD 6.60% Senior Notes due 2023”) in a principal amount of USD300,000,000 (equivalent to approximately RMB2,013,420,000). The USD 6.60% Senior Notes due 2023 are listed on the Stock Exchange and bear interest from and including 30 November 2017 at the rate of 6.60% per annum, payable semi-annually in arrears.

(s) RMB 5.50% Non-Public Domestic Corporate Bonds due 2022

On 8 September 2017, Guangzhou Times issued non-public domestic corporate bonds at a coupon rate of 8.20% per annum at a par value of RMB1,100,000,000 (“RMB 8.20% Non-Public Domestic Corporate Bonds due 2022”) for a term of five years in the PRC. Guangzhou Times is entitled to adjust coupon rate at the end of the third year, while investors are entitled to sell back. RMB 8.20% Non-Public Domestic Corporate Bonds due 2022 are listed on the Shanghai Stock Exchange and bear interest from and including 8 September 2017 at the rate of 8.20% per annum, payable annually in arrears. On 8 September 2020, Guangzhou Times adjusted the coupon rate of the bonds to 5.50% (the “RMB 5.50% Non-Public Domestic Corporate Bonds due 2022”).

(t) USD 5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the “USD 5.75% Senior Notes due 2022”) in a principal amount of USD225,000,000 (equivalent to approximately RMB1,510,065,000). USD 5.75% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 26 April 2017 at the rate of 5.75% per annum, payable semi-annually in arrears. On 26 April 2022, the Company has repaid all the principal amount and interest.

Contingent liabilities

As at 30 June 2022, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group’s properties amounted to approximately RMB26,727.1 million (31 December 2021: approximately RMB36,972.9 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group’s projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any outstanding amount from the Group if the amount of outstanding loan exceeds the net foreclosure sales proceeds from the auction. In line with industry practices, the Group does not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

As at 30 June 2022, the Group had provided guarantees in respect of certain bank loans of approximately RMB3,280.4 million (31 December 2021: approximately RMB3,815.0 million) for its joint ventures and associates.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2022, the Group had not engaged in hedging activities for managing foreign exchange rate risk.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, nor were there any plans authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

Events After the Period

Save as disclosed in this announcement, the Group did not have any other material subsequent event after the Period.

Employees and Remuneration Policy

As at 30 June 2022, the Group had 4,020 employees (31 December 2021: 5,934 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund scheme, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the share option scheme on 19 November 2013 (the “Share Option Scheme”) as incentives or rewards for the employees’ contributions to the Group. Further information of the Share Option Scheme is available in the Company’s annual report for the year ended 31 December 2021. As at 30 June 2022, no share option of the Company has been granted under the Share Option Scheme since its adoption. For the six months ended 30 June 2022, the Group’s employee benefit expense (excluding Directors’ remuneration) was approximately RMB583.4 million (for the six months ended 30 June 2021: RMB819.9 million).

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: nil).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the applicable code provisions as set out in the CG Code for the six months ended 30 June 2022.

The code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors have regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code of Conduct Regarding Directors' Securities Transactions

The Company has also adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the six months ended 30 June 2022.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the audit committee of the Company (the "Audit Committee") which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the Group's interim report and the unaudited condensed consolidated interim results for the six months ended 30 June 2022 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company, and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

USD 5.30% Senior Notes due 2022

As at 31 December 2021, an aggregate principal amount of USD200,000,000 of the USD 5.30% Senior Notes due 2022 (Stock code: 40654) remained outstanding.

During the six months ended 30 June 2022, the Group repurchased and cancelled the USD 5.30% Senior Notes due 2022 with an aggregate principal amount of USD33,200,000, and USD166,800,000 remained outstanding after the cancellation. On 20 April 2022, the Company fully repaid the outstanding principal amount plus accrued and unpaid interest.

USD 5.75% Senior Notes due 2022

As at 31 December 2021, an aggregate principal amount of USD225,000,000 of the USD 5.75% Senior Notes due 2022 (Stock code: 5445) remained outstanding.

During the six months ended 30 June 2022, the Group repurchased and cancelled the USD 5.75% Senior Notes due 2022 with an aggregate principal amount of USD49,576,000, and USD175,424,000 remained outstanding after the cancellation. On 26 April 2022, the Company fully repaid the outstanding principal amount plus accrued and unpaid interest.

Save as disclosed above, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2022.

PUBLICATION OF THE INTERIM RESULTS AND 2022 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.timesgroup.cn), and the 2022 interim report containing all the information required by the Listing Rules will be despatched to our shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times China Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 30 August 2022

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man.

* *For identification purpose only*