BEIJING PROPERTIES (HOLDINGS) LIMITED
北京建設（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 925)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the "Board") of Beijing Properties (Holdings) Limited (the "Company") would like to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2024, together with comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
			(Restated)
	Notes	***RMB'000***	*RMB'000*
REVENUE	4	**489,178**	758,100
Cost of sales and services		**(392,407)**	(621,867)
Gross profit		**96,771**	136,233
Change in fair value of investment properties, net		**–**	(17,000)
Other income and gains, net	4	**59,090**	151,984
Selling and distribution expenses		**(2,456)**	(7,874)
Administrative expenses		**(46,254)**	(69,561)
Other expenses, net		**(7,853)**	(1,192)
Finance costs	5	**(158,056)**	(250,124)
Share of profits and losses of:			
Joint ventures		**–**	(6,935)
Associates		**(7,309)**	(4,265)

	Notes	For the six months ended 30 June **2024** **(Unaudited)** ***RMB'000***	2023 (Unaudited) (Restated) *RMB'000*
LOSS BEFORE TAX	6	**(66,067)**	(68,734)
Income tax	7	**(17,883)**	(22,321)
LOSS FOR THE PERIOD		**(83,950)**	(91,055)
Attributable to:			
Shareholders of the Company		**(84,839)**	(67,350)
Non-controlling interests		**889**	(23,705)
		(83,950)	(91,055)
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted	9	**RMB(1.22) cents**	RMB(0.97) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	*RMB'000*
LOSS FOR THE PERIOD	**(83,950)**	(91,055)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences:		
Translation of foreign operations	**32,455**	(244,266)
Release upon disposal of subsidiaries during the period *(note 14)*	**142**	–
– Share of other comprehensive income/(loss) of associates	**(1,030)**	6,832
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**31,567**	(237,434)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translations of the Company's financial statements	**–**	15,774
– Changes in fair value of equity investments at fair value through other comprehensive income, net of income tax of nil	**5,265**	(7,425)
– Share of other comprehensive income/(loss) of associates	**(676)**	2,470
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**4,589**	10,819
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX OF NIL	**36,156**	(226,615)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(47,794)**	(317,670)
Attributable to:		
Shareholders of the Company	**(58,639)**	(327,843)
Non-controlling interests	**10,845**	10,173
	(47,794)	(317,670)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**427,939**	433,478
Investment properties	10	**3,469,293**	3,467,683
Right-of-use assets		**56,490**	57,782
Goodwill		**94,636**	91,953
Interests in joint ventures		**70,936**	70,936
Interests in associates		**221,156**	227,376
Equity investments at fair value through other comprehensive income		**16,526**	11,254
Land held for development or sale		**3,734,877**	3,705,151
Total non-current assets		**8,091,853**	8,065,613
CURRENT ASSETS			
Properties under development for sale		**24,135**	22,138
Properties held for sale		**1,721,264**	1,720,614
Inventories		**242,983**	316,911
Trade receivables	11	**100,171**	90,333
Prepayments, other receivables and other assets		**268,685**	250,236
Due from joint ventures		**5,051**	5,046
Pledged and restricted bank deposits		**9,123**	9,090
Cash and cash equivalents		**1,960,592**	366,010
		4,332,004	2,780,378
Assets of disposal groups classified as held for sale		**2,387,219**	2,757,091
Total current assets		**6,719,223**	5,537,469

	Notes	**30 June 2024 (Unaudited)** ***RMB'000***	31 December 2023 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade payables	12	**332,496**	136,867
Other payables and accruals		**390,568**	494,036
Due to other related parties		**296,847**	503,623
Bank and other borrowings		**1,160,852**	898,317
Income tax payables		**65,400**	58,744
Provision for compensation		**201,355**	201,357
		2,447,518	2,292,944
Liabilities directly associated with the assets of disposal groups classified as held for sale		**348,538**	495,504
Total current liabilities		**2,796,056**	2,788,448
NET CURRENT ASSETS		**3,923,167**	2,749,021
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,015,020**	10,814,634
NON-CURRENT LIABILITIES			
Due to a joint venture		**176,809**	176,809
Bank and other borrowings		**6,315,399**	6,533,100
Guaranteed bonds		**1,493,250**	–
Deferred revenue		**19,418**	19,946
Defined benefit obligations		**7,810**	7,810
Deferred tax liabilities		**1,068,994**	1,073,192
Total non-current liabilities		**9,081,680**	7,810,857
Net assets		**2,933,340**	3,003,777
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	13	**566,979**	566,979
Reserves		**747,586**	808,678
		1,314,565	1,375,657
Non-controlling interests		**1,618,775**	1,628,120
Total equity		**2,933,340**	3,003,777

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim condensed consolidated financial information does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2023 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which became effective for the first time for the current period's financial statements, as further detailed in note 2 below.

In preparing the interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity requirements, operating performance and available sources of financing of the Group in light of the fact that although the Group had net current assets of RMB3.9 billion, which included the net assets of disposal groups classified as held for sale of RMB2.0 billion, the Group's current portion of bank and other borrowings amounted to RMB1.2 billion which are due to be settled within one year from the end of the reporting period.

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

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

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

Change of functional currency of the Company

The Company changed its functional currency from United States dollar ("US$") to RMB from 31 December 2023. The reason for the change in functional currency of the Company was after taking into consideration of, inter alia, the facts that (i) majority of the Company's cash flows arose from investing and financing activities which have been predominately transacted in RMB since the second half of 2023, including recent debt financing activities; and (ii) the Company had comparatively less cash flows denominated in US$.

The change in functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21 *The Effect of Changes in Foreign Exchange Rates*.

Change of presentation currency

The Company's presentation currency for its interim condensed consolidated financial information has been changed from Hong Kong dollar to RMB. The effects of the change in the presentation currency have been accounted for retrospectively with comparative figures restated in accordance with HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative amounts in the interim condensed consolidated financial information are presented as if RMB had always been the presentation currency of the interim condensed consolidated financial information. The condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2023, and certain explanatory notes have been restated to conform with the current period presentation.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

a. the properties business segment engages in the leasing of commercial properties and a health care property in Chinese Mainland and the provision of related management services;

b. the logistics business segment engages in the leasing of general warehouses, cold chain logistic warehouses and specialised wholesale market, and the provision of related logistic and management services;

c. the industrial business segment engages in the leasing of industrial plants, the provision of related management services, and sale of properties;

d. the trading business segment engages in the trading of frozen products; and

e. the primary land development business segment engages in the sale of land held for development or sale and provision of primary land development services.

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

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

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

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited) (Restated)	**For the six months ended 30 June 2024 (Unaudited)**	For the six months ended 30 June 2023 (Unaudited) (Restated)	**For the six months ended 30 June 2024 (Unaudited)**	For the six months ended 30 June 2023 (Unaudited) (Restated)	**For the six months ended 30 June 2024 (Unaudited)**	For the six months ended 30 June 2023 (Unaudited) (Restated)	**For the six months ended 30 June 2024 (Unaudited)**	For the six months ended 30 June 2023 (Unaudited) (Restated)	**For the six months ended 30 June 2024 (Unaudited)**	For the six months ended 30 June 2023 (Unaudited) (Restated)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue:												
Sales to external customers	**36,351**	36,554	**63,420**	99,503	**10,288**	35,222	**379,119**	586,821	**–**	–	**489,178**	758,100
Segment results:												
The Group	**23,435**	18,431	**32,239**	57,477	**(3,674)**	7,465	**(744)**	(1,713)	**(28)**	(1,550)	**51,228**	80,110
Share of profits/(losses) of:												
Joint ventures	**–**	–	**–**	(6,935)	**–**	–	**–**	–	**–**	–	**–**	(6,935)
Associates	**(7,309)**	(4,214)	**–**	–	**–**	–	**–**	–	**–**	(51)	**(7,309)**	(4,265)
	16,126	14,217	**32,239**	50,542	**(3,674)**	7,465	**(744)**	(1,713)	**(28)**	(1,601)	**43,919**	68,910
Reconciliation:												
Gain on disposal of subsidiaries *(note 14)*											**52,282**	–
Bank interest income											**2,977**	4,717
Other interest income											**–**	54
Foreign exchange differences, net											**(2,546)**	124,509
Corporate and other unallocated income and expenses, net											**(4,643)**	(16,800)
Finance costs											**(158,056)**	(250,124)
Loss before tax											**(66,067)**	(68,734)

	Properties business		Logistics business		Industrial business		Trading business		Primary land development business		Total	
	30 June 2024	31 December 2023	**30 June 2024**	31 December 2023	**30 June 2024**	31 December 2023	**30 June 2024**	31 December 2023	**30 June 2024**	31 December 2023	**30 June 2024**	31 December 2023
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**2,227,202**	2,230,300	**4,609,757**	4,599,461	**1,694,742**	2,091,552	**488,356**	517,965	**3,700,890**	3,846,801	**12,720,947**	13,286,079
Reconciliation:												
Corporate and other unallocated assets											**2,090,129**	317,003
Total assets											**14,811,076**	13,603,082
Segment liabilities	**366,217**	362,375	**489,888**	499,670	**151,395**	129,384	**282,760**	347,648	**9**	9	**1,290,269**	1,339,086
Reconciliation:												
Corporate and other unallocated liabilities											**10,587,467**	9,260,219
Total liabilities											**11,877,736**	10,599,305

Geographical information

(a) Geographical information of revenue is not presented since over 90% of the Group's revenue from external customers is generated in Chinese Mainland.

(b) Non-current assets

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Chinese Mainland	**4,374,524**	4,382,998
Cambodia	**3,700,803**	3,671,361
	8,075,327	8,054,359

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

Information about major customers

During the six months ended 30 June 2024 and the six months ended 30 June 2023, the Group had no single external customer which contributed over 10% of the Group's total revenue for each of these periods.

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	*RMB'000*
Revenue from contracts with customers	**394,282**	633,522
Revenue from other sources		
Gross rental income from investment property operating leases		
– Other lease payments, including fixed payments	**94,896**	124,578
	489,178	758,100
Other income		
Bank interest income	**2,977**	4,717
Other interest income	**–**	54
Government grants	**534**	2,788
Others	**3,297**	19,916
	6,808	27,475
Gains, net		
Gain on disposal of subsidiaries *(note 14)*	**52,282**	–
Foreign exchange differences, net	**–**	124,509
Other income and gains, net	**59,090**	151,984

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	Property business *RMB'000*	Logistics business *RMB'000*	Industrial business *RMB'000*	Trading business *RMB'000*	Primary land development business *RMB'000*	Total *RMB'000*
Types of goods or services						
Logistics and other ancillary services	–	5,928	–	–	–	5,928
Property management fee	1,036	1,401	1,283	–	–	3,720
Sales of properties	–	–	5,515	–	–	5,515
Sales of frozen products	–	–	–	379,119	–	379,119
Total revenue from contracts with customers	1,036	7,329	6,798	379,119	–	394,282
Geographical markets						
Chinese Mainland	1,036	7,329	6,798	379,119	–	394,282
Total revenue from contracts with customers	1,036	7,329	6,798	379,119	–	394,282
Timing of revenue recognition						
Goods transferred at a point in time	–	–	5,515	379,119	–	384,634
Services transferred over time	1,036	7,329	1,283	–	–	9,648
Total revenue from contracts with customers	1,036	7,329	6,798	379,119	–	394,282

For the six months ended 30 June 2023 (Restated)

Segments	Property business *RMB'000*	Logistics business *RMB'000*	Industrial business *RMB'000*	Trading business *RMB'000*	Primary land development business *RMB'000*	Total *RMB'000*
Types of goods or services						
Logistics and other ancillary services	–	16,050	–	–	–	16,050
Property management fee	1,061	5,531	7,545	–	–	14,137
Sales of properties	–	–	16,514	–	–	16,514
Sales of frozen products	–	–	–	586,821	–	586,821
Total revenue from contracts with customers	1,061	21,581	24,059	586,821	–	633,522
Geographical markets						
Chinese Mainland	1,061	21,581	24,059	586,821	–	633,522
Total revenue from contracts with customers	1,061	21,581	24,059	586,821	–	633,522
Timing of revenue recognition						
Goods transferred at a point in time	–	–	16,514	586,821	–	603,335
Services transferred over time	1,061	21,581	7,545	–	–	30,187
Total revenue from contracts with customers	1,061	21,581	24,059	586,821	–	633,522

5. FINANCE COSTS

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**156,878**	199,060
Interest on loans from related parties	**290**	407
Interest on guaranteed bonds	**888**	50,657
	158,056	250,124

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	*RMB'000*
Direct cost of rental income	**8,998**	14,763
Cost of services provided	**15,084**	16,352
Cost of sale of properties	**6,428**	11,850
Cost of goods sold	**361,897**	578,902

7. INCOME TAX

No provision for Hong Kong profits tax and Cambodia corporate income tax has been made as the Group did not generate any assessable profits arising in Hong Kong and Cambodia during periods for the six months ended 30 June 2024 and 2023.

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	*RMB'000*
Chinese Mainland:		
Current	**18,271**	6,739
Deferred	**(388)**	15,582
	17,883	22,321

8. INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to shareholders of the Company and the weighted average number of 6,969,331,680 (six months ended 30 June 2023: 6,969,331,680) ordinary shares in issue during the period. In addition, the share options outstanding during the period did not have a diluting effect on the earnings per share amount presented, accordingly, there was no adjustment made in calculation of the diluted earnings per share amount.

In respect of the diluted loss per share amount for the six months ended 30 June 2024 and 2023, no adjustment has been made to the basic loss per share amount presented as the impact of the share options outstanding during these periods had an anti-dilutive effect on the basic loss per share amount presented.

10. INVESTMENT PROPERTIES

The fair value of the remaining properties of the Group as at 30 June 2024 was arrived at the quoted open market value by reference to the fair value of these investment properties as at 31 December 2023 because the directors of the Company do not consider there was any material change in the fair value of these investment properties during the six months ended 30 June 2024.

11. TRADE RECEIVABLES

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

	30 June 2024 (Unaudited) ***RMB'000***	31 December 2023 (Audited) *RMB'000*
Billed:		
Within one month	**473**	6,905
One to three months	**379**	679
Over three months	**32**	540
	884	8,124
Unbilled:	**99,287**	82,209
	100,171	90,333

The Company applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs have also incorporated forward looking information. The ECLs allowances for trade receivables as at 30 June 2024 and 31 December 2023 were considered as insignificant, except for a loss allowance of RMB Nil (31 December 2023: RMB5,283,000) which was made in respect of rental income receivable.

12. TRADE PAYABLES

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

	30 June 2024 (Unaudited) ***RMB'000***	31 December 2023 (Audited) *RMB'000*
Billed:		
Within one month	**192,732**	2,535
One to three months	**–**	–
Over three months	**30**	30
	192,762	2,565
Unbilled:	**139,734**	134,302
	332,496	136,867

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

13. SHARE CAPITAL

	30 June 2024 (Unaudited) ***HK$'000***	31 December 2023 (Audited) *HK$'000*
Authorised:		
10,000,000,000 ordinary shares of HK$0.10 each	**1,000,000**	1,000,000
Issued and fully paid:		
6,969,331,680 (31 December 2023: 6,969,331,680) ordinary shares of HK$0.10 each	**696,933**	696,933
Equivalent to RMB'000	**566,979**	566,979

14. DISPOSAL OF SUBSIDIARIES

	For the six months ended 30 June 2024 (Unaudited) *RMB'000*
Net assets disposed of:	
Property, plant and equipment	**203**
Investment properties	**368,000**
Trade receivables	**816**
Prepayments, deposits and other receivables	**575**
Cash and cash equivalents	**17,727**
Other payables, accruals and deposits received	**(12,763)**
Amounts due to group companies	**(162,832)**
Deferred income	**(47,952)**
Amount due to non-controlling shareholders	**(54,278)**
Deferred tax liabilities	**(33,733)**
Non-controlling interests	**(18,934)**
	56,829
Exchange fluctuation reserve	**142**
Gain on disposal of subsidiaries recognised in profit or loss	**52,282**
Settlement of amounts due to group companies	**162,832**
Transactions costs of the disposal	**855**
	272,940
Satisfied by:	
Cash	**272,940**

An analysis of the net inflow of cash and cash equivalents for the six months ended 30 June 2024 in respect of the disposal of subsidiaries is as follows:

	(Unaudited) *RMB'000*
Cash consideration	**272,940**
Cash and bank balances disposed of	**(17,727)**
	255,213
Less: Consideration not yet satisfied by cash*	**(22,011)**
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**233,202**

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

Disposal of Jiaxing Project

On 13 December 2023, the Group entered into the sale and purchase agreement with the successful bidder, WXYZ GEM (BVI) Holdings Limited, for the disposal of its entire equity interests in a subsidiary which hold one industrial warehouse in Jiangsu (the "Disposal of Jiaxing Project") for a total cash consideration of RMB273 million.

The transaction was completed in January 2024. As a result of the transaction, a gain on disposal of approximately RMB52.3 million was recognised in profit or loss during the year upon the completion of the transaction.

15. CAPITAL COMMITMENTS

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

	30 June 2024 **(Unaudited)** ***RMB'000***	31 December 2023 (Audited) *RMB'000*
Contracted, but not provided for:		
Capital injection into an associate	**105,000**	105,000
Capital contribution into a joint venture	**3,446**	3,446
Construction of logistics facilities	**556,143**	581,542
Total capital commitments	**664,589**	689,988

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2024, the Group recorded a consolidated loss attributable to the shareholders of the Company of approximately RMB84.84 million, as compared to the consolidated loss attributable to the shareholders of the Company of approximately RMB67.35 million recorded for the six months ended 30 June 2023.

BUSINESS REVIEW

The Group positioned itself as a professional property developer, focusing on logistics warehouses, cold storage, industrial factories and primary land development, while operating certain commercial projects. However, the business in which the Group was engaged previously was a heavy asset investment with a large capital backlog and a long payback period. Therefore, the Group designed a specific business model for sustainable development whereby the projects could generate sustainable income and at the same time promote the value increase of the properties through improved operating results, and ultimately maximise the ultimate return by seizing the most favourable market opportunity to sell when the value is realised. Since 2018, the Group has been actively preparing for the sale of assets of various mature projects, but the overall economic environment continued to deteriorate due to the continuous impact from a combination of negative factors including the change in the country's operating system, trade wars, pandemic, fierce geographical conflicts and rising interest rates, and the sales of two assets of the logistics warehouse and three assets of the industrial plants were finally completed only in 2022. However, the timing delay has resulted in continued increases in finance costs and declines in asset prices during the period, causing the Group to incur continuous losses. Therefore, having cautiously assessed the sustainable development of the business in the future, the Group decided to carry out a business transformation, i.e. to stop making new investments in the heavy asset business and dispose of it gradually, and leverage on the cold chain business that has been developed since 2019 to penetrate upstream and downstream to carry out the food supply chain business in the PRC, with a view to achieving a reduction in liabilities and finance expenses through the disposal of heavy assets, while diversifying revenue through an increase in revenue to improve the profitability of the Group.

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

(1) High-end and Modern General Warehouses

High-end and modern logistics warehouses are the developed projects that the Group gives priority for disposal. The Group completed the disposal of 90% interest of the Tongzhou District, Beijing project on 6 June 2022 and the disposal of the remaining 10% interest on 10 August 2023, with capital recovery of approximately RMB180,000,000. The disposals of the Tong'an District, Xiamen project and the Chengmai District, Hainan project have completed on 10 October 2023, with capital recovery of approximately RMB386,000,000. The disposals of the Pudong District, Shanghai project, the Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone) project, the Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone) project and the Jiaozhou City, Qingdao project under that category with the total area of approximately 430,000 sq.m. are also under planning in an orderly manner.

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

Location of warehouses	*Notes*	**Planned and owned area** *(sq.m.)*	**Operating leaseable area** *(sq.m.)*	**Average occupancy rate for the six months ended 30 June** **2024** *(%)*	2023 *(%)*
Pudong District, Shanghai[1]	(a)	211,555	211,555	**57.91**	60.45
Tianjin (Tianjin Airport Zone of Tianjin Free Trade Zone)[1]	(b)	57,670	57,670	**32.43**	43.46
Tianjin (Tianjin Port Zone of Tianjin Free Trade Zone)[1]	(c)	16,083	16,083	**73.26**	100
Dongpo District, Meishan	(d)	97,809	97,809	**55.26**	65.41
Ke'erqin District, Tongliao	(e)	31,113	31,113	**83.92**	81.18
Jiaozhou, Qingdao[2]	(f)	145,170	–	**–***	–*
		559,400	414,230		

* *Projects under construction*

Notes:

1. These projects have been classified as held for sale as the Group intends to dispose of these projects. For details, please refer to the announcement dated 18 March 2022 and the circular dated 3 August 2022 of the Company.

2. The Group intends to dispose of this project. For details, please refer to the announcement of the Company dated 31 December 2021.

    (a) In the first half of 2024, in the face of severe situation of lease and market pressure, the Shanghai warehouse strengthened its communication with the existing tenants, actively carried out the lease renewal work, and made full use of its resources to assist the tenants in optimizing their business environment. It vigorously expanded new tenant resources to identify the intention of existing tenants to expand their lease. Through the unremitting efforts of the operation team, as of 30 June 2024, the overall occupancy rate of the project was 57.87%, remaining flat overall.

    (b) Tianjin Transwell International Logistics Co., Ltd. ("WSL Logistics"), the Tianjin (Tianjin Airport Zone) warehouse, remained the sole secondary warehouse supervised by Customs within the Tianjin Binhai International Airport area. The original client of Transwealth Logistics (Tianjin) Co., Ltd. ("Transwealth Logistics") fully surrendered the lease in February 2023 due to business restructuring. As a result of the significant drop in local imports and exceptionally fierce competition between peers during the same period, the lease market in Tianjin City as a whole was on a significant downward trend and there were few new clients on the market. In addition, due to the functional structure limit of Transwealth Logistics, only one client has newly leased a small area of 2,100 sq.m. in the Transwealth Logistics project so far. The average occupancy rate of Phase I and II of Transwealth Logistics and WSL Logistics in the first half of 2024 was 32.43%.

    (c) Tianjin (Tianjin Port Zone) warehouse is located in the Tianjin Port Bonded Zone. The project has a total land area of 30,003 sq.m. and a total gross floor area of 16,083 sq.m. Due to the sudden decrease in the volume of import and export business, Tong Da You Zhi's original whole-lease client only leased part of the warehouse area this year, and as of 30 June 2024, the overall occupancy rate of the project was 76.82%, and the revenue remained stable.

    (d) The Group operates four warehouses in Dongpo District, Meishan City of Sichuan Province with a total leaseable area of approximately 97,809 sq.m. Given the development of the industry over the same period of time, a number of warehouses in the vicinity have been completed and put on the market, the vacancy rate increased significantly year-on-year. The current de-leasing pressure in the market is significant, and the occupancy rate as of the end of June 2024 was 56.36%. New clients were introduced gradually in the first half of the year, and the types of clients in the zone have been diversified, involving high-quality clients in various industries in the fields of pharmaceuticals, home appliances, superstores, express delivery, general chemical, food and beverage, etc.

(e) The Group's Tongliao project is leased out as a logistics warehousing facility before commercial development. The project is situated at a convenient location in the downtown area of Tongliao City close to the high-speed rail station, with well-developed commercial facilities in its proximity. In 2024, the project team overcame the adverse impact of various aspects and continued to increase its efforts in attracting tenants, resulting in a steady increase in the overall occupancy rate. The average occupancy rate for the first half of 2024 was 83.92%.

(f) In March 2019, the Group has acquired a piece of land located in Jiaozhou Economic and Technological Development Zone, Qingdao, along the west side of Jiaoda Avenue(交大大道) and the south side of Taohe Road(洮河路). The total area of the land is approximately 113,428 sq.m. The project enjoys a convenient location near the Jiaozhou Bay Express Highway(膠州灣高速) and the Qingdao Jiaodong International Airport. Under this project, three 2-storeyed general warehouses and one multistoried cold storage are planned to be constructed conforming with international standards. The total gross floor area is approximately 155,400 sq.m. and has a total leaseable area of approximately 145,170 sq.m., with a total investment amount of approximately RMB760 million. The project started in March 2020 but has been suspended during the COVID-19 pandemic and preparatory work for resumption is still underway and it is expected to be completed by the first quarter of 2026.

(2) Supply Chain Development

The nationwide supply chain business is a business that the Group has extended and focused on relying on the existing online and offline cold chain and agricultural wholesale market infrastructure that has become mature, and further develops through the upstream and downstream through the self-developed online trading platform, with the aim of becoming a nationwide food supply chain business service provider. The supply chain business developed by the Group mainly provides integrated logistics services for high-value imported meat and aquatic products. With the rise of China's middle-class community, the demand for quality food is growing rapidly every year. However, due to the lack of reform in the industry during the past period, the supply chain industry in China remains subject to factors such as high input and low digitalization, and recorded a slow growth. Hence, no leading enterprises have emerged in the industry. This presents the Group with a great opportunity for development. The Group's supply chain business has rolled out international trade service, cold chain storage service and electronic business system development service for frozen products. Its strategic objective is to establish the best comprehensive supply chain industry service platform in the PRC to save costs and increase revenue for its customers by making full use of digital technologies while eliminating financial risk of financial institutions by realizing full control over inventories, information and funds along the whole chain. The disposal of Tianjingang Project, a joint venture of the Group, was completed on 7 December 2023 with a capital recovery of approximately RMB146,000,000.

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

Location of warehouses	Notes	Planned and owned storage capacity (ton)	Operating leaseable storage capacity (ton)	Average occupancy rate for the six months ended 30 June 2024 (%)	2023 (%)
Hangu District, Tianjin[1]	(a)	75,000	45,000	**35.44**	69.86
Chengyang District, Qingdao	(b)	8,000	8,000	**100**	100
		83,000	53,000		

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

Notes:

(a) The Tianjin Zhongyu cold chain warehouse is positioned to serve as a cold chain logistics hub and a processing and distribution centre for aquatic products in northern China. Occupying an area of approximately 31,301 sq.m., Phase I has both cold chain storage space and freezer with a total storage capacity of approximately 45,000 tons. Phase II of the project has obtained government approval and preliminary work is in progress. Due to changes in the market environment, the Company intends to adjust the plan for Phase II of the project to promote the establishment, construction and development of Phase II of the project with the strategic plan of taking "central kitchen processing of prefabricated dishes as the main and storage as the auxiliary". Phase II is planned to take the "prefabricated dishes industrial park" as the project application, the construction of which contains 6 independent processing plants, 1 office building and 1 comprehensive service building, with a gross floor area of 29,856 sq.m. (the total capacity area is 48,108 sq.m.), and an estimated total investment of RMB100 million. As of 30 June 2024, the combined occupancy rate of the cold chain storage space and freezer was 43.35%. Since the commencement of its operation, the project has maintained sound operation and achieved stable business development.

(b) The principal activity of the Qingdao cold chain warehouse is the operation of cold logistics storage facilities in Chengyang District of Qingdao, China. The site area and storage capacity of Phase I of this project are approximately 15,352 sq.m. and 8,000 tons, respectively. Since the second half of 2021, cooperative operation of business has been carried out with Qingdao Yonghexun Logistics Storage and Transportation Co., Ltd.（青島永和迅物流儲運有限公司）for a term of ten years, with the occupancy rate of the cold storage reaching 100% as of 30 June 2024.

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

With the approval of Quzhou government authorities, Quzhou Tongcheng Agriculture Development Co., Ltd. ("Quzhou Tongcheng") has been approved to establish a modern agricultural wholesale market project, including an agricultural exchange zone, which may be utilised as the new location for the existing exchange centre in the city following its relocation, as well as ancillary commercial facilities. The existing trading centre was granted the status of first class wholesale centre for agricultural products, serving a population of approximately 30 million people. The Quzhou agricultural shopping mall project will be constructed and developed in two phases. Phase I has a gross floor area of 41,282 sq.m. and was officially opened in August 2015. Phase II consists of three lots. Lots I and II have a gross floor area of 153,856 sq.m. and were officially opened in November 2017. Lot III is at the stage of sketch design refinement. As of 30 June 2024, the market had a leaseable area of 162,003.86 sq.m., including a wholesale trading zone, a comprehensive market trading zone, a storage service zone and a public ancillary market facility zone, in which the average occupancy rates of the wholesale trading zone, the storage service zone and the public ancillary market facility zone were 80.27%, 80.88% and 86.31% respectively, and the operation team is making continuous efforts to conduct internal regional adjustment of the existing assets in order to improve the overall occupancy rate and the rent unit price, so that the project can achieve profitability as soon as possible.

According to the work requirements on the implementation of digital market by the Quzhou government authorities, Quzhou agricultural shopping mall project sped up the new retail upgrade and renovation of professional markets, so as to realize online transactions and mobile payment and other new retail mode. The digital smart agriculture wholesale system ended the trial operation at the beginning of the second half of 2023, and commenced to charge entry fee for fruits on 1 January 2024 on a trial basis. In order to effectively revitalize the assets, the operation team has broadened the ideas of investment by investing a small amount of funds to renovate the vacant Frozen Product Zone No.24 and No.25 into a comprehensive morning market zone which was put into operation on 20 April 2023. The occupancy rate of the morning market zone was 98.47% as of the first half of 2024. In addition, after the commencement of operation of the morning market, the heavy traffic has boosted the development of the surrounding areas.

Online services and trading platforms are the main drivers of the Group's supply chain business development. Coldeal（凍品e港）(formerly known as Frozen Products Exchange（凍品交易港）) (www.cciinet.com), version 3.0 (for commercial use), version H5 and App version were gradually optimized and launched with successful integration of online registration, trading and payment. The implementation of the online platform safety management plan, full product life cycle management and full media channel operation management were completed. In November 2022, Beijing Infinity Data Technology Co., Ltd.（北京融界數據科技有限公司）("Infinity Data") under the Group passed the accreditation and was approved as a high technology enterprise. As of 30 June 2024, Infinity Data had obtained a total of 37 software copyright registrations. At the same time, the total number of registered users of Coldeal developed and operated by Infinity Data reached 198,582 and the number of certified enterprises reached 7,073. An annual evaluation of security protection of system information has been inspected and filed in accordance with the requirements on an annual basis, and the security level of system information was upgraded to level 3 of security protection 2.0. So far, Coldeal serves more than 400 counties and cities in about 31 provinces across the country by integrating over 3,173 logistics companies, over 16,947 logistics routes and over 7,000 cold storage across the country. Meanwhile, we have commenced in-depth strategic cooperation with enterprises in all segments along the supply chain and industry chain. Services will be provided to customers through cold storage partners at different locations. At the present stage, cooperation agreements have been reached with cold storage partners in, among other places, Dalian Bonded Zone, Dalian Economic and Technological Development Zone, Yangshan Free Trade Zone in Shanghai, Pudong New Area in Shanghai, Tianjin Bonded Zone and Yantian District in Shenzhen, basically completing the establishment of storage network by connecting the coastal ports. Supported by the development of the international trade services business and an advanced Internet technology support system, an integrated service platform featuring the most comprehensive services and state-of-the-art technologies within the Chinese cold product industry will be established.

(3) Industrial Properties

In response to the demand for relocation of high-end manufacturing industries in Shanghai, the Group commenced the industrial property business at the end of 2016 and formed several non-wholly owned subsidiaries (held by the Group as to 75%) with SSinolog (China) Holding I Pte. Ltd. from Singapore. In 2022, the Group successfully disposed of its completed projects in Taicang, Jiangsu Province, Changshu, Jiangsu Province and Suzhou, Jiangsu Province. Among them, the disposal of the last project in Jiaxing, Zhejiang Province, which cooperated with SSinolog (China) Holding I Pte. Ltd. from Singapore, was completed on 24 January 2024, with sales proceeds of approximately RMB272,940,000.

At present, the only industrial plant held by the Group is located in the industrial park headquarters project of Tianning Economic Development Zone in Changzhou, Jiangsu Province. This project is planned to have a total land area of approximately 200 mu and a gross floor area of approximately 476,403 sq.m. The planned and owned area will be 340,882 sq.m. With a total investment of approximately RMB2,000 million, it will be developed in two phases. Construction of Phase I has been completed and accepted on 30 June 2022 and is actively being leased and sold, with 8,413.03 sq.m. of sale area completed, and sales amount of approximately RMB90.88 million, and leasing area of 21,005.68 sq.m. Phase II of the project is currently in the process of completing the extension of the completion date, which is planned to be extended to 5 November 2026. If the Phase II of construction in accordance with the existing program is expected to require funds of approximately RMB180 million, we plan to negotiate with the Tianning District Government to jointly find suitable project investors to complete the Phase II of the project construction in the future. The project will be the first Internet economic platform cluster in Tianning District, Changzhou and will facilitate collective innovation and sustainable development of Internet + businesses with the principle of "intelligence sharing + smart manufacturing + smart products" by integrating three core concepts, namely smart manufacturing, smart technology and smart design. It will also perform commercial, leisure and other urban functions so as to transform Jiangsu Sunan Zhicheng Technology Park ("Jiangsu Sunan Zhicheng") into an industrial park that combines industry and city, empowered by the Internet + smart technologies. This project has been put on the list of key projects in Jiangsu Province in early 2020, and has been put on the list of provincial-level technology enterprise incubators in Jiangsu Province in 2022. Meanwhile, Jiangsu Sunan Zhicheng was granted the "Major Investment Project Award" by Tianning District, Changzhou.

(4) Belt and Road Initiative

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

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

The Cambodian government is currently rolling out a number of policies to attract investments from foreign enterprises. Such policies aim at establishing a free and open economic system by offering equal treatment to foreign and domestic investors. With the combo network of the Belt and Road Initiatives launched by China and "Rectangular Strategy" proposed by Cambodian government, Sino-Cambodian cooperation has boosted the Cambodian economy to maintain a growth rate of 5%–7% since 2013. In 2023, China remained as the largest investor of Cambodia. In recent years, the Cambodian economy has been expanding rapidly, with an average age of less than 30 and the ageing population of less than 5% of the population, offering abundant manpower.

With the signing of the RCEP agreement and the CPC Central Committee and State Council put forward a macro development strategy of double-cycle at home and abroad, taking into account the current situation, the regional economic internal cycle may be formed in the "post-crisis" and "post-pandemic" era. This series of opportunities in the external environment will boost the expected profitability of Sino-Cambodian project. The Group will tightly grasp this historical opportunity by setting up funds jointly with quality partners to fund the further development of the Sino-Cambodian project, and exploring new ideas to keep up with the rapid development of cross-border e-commerce in Southeast Asia, and fully considering how to deeply explore the advantages of the project under the changing market environment, so as to continuously improve the plan of the Sino-Cambodian project.

In addition, the former Cambodian Prime Minister Mr. Samdech Techo Hun Sen and the Cambodian Prime Minister Mr. Hun Manet paid multiple visits to China in 2023, upon which, both parties of China and Cambodia published a joint statement of building the China-Cambodia Community of Shared Destiny in the new era and released the Sino-Cambodian Joint Statement, stating that the two countries intend to construct a "Corridor of Fisheries and Grain (魚米走廊)" centered on the Tonle Sap Lake, so as to pursue the development of modern ecological agriculture and expand the trade of high-quality agricultural products between the two countries, which aligns to the development of food supply chain business of the Group. To sum up, as the details of cooperation between China and Cambodia are subject to disclosure, the Group will actively keep up with the development of the project, further optimize our overall development plans for the industry parks, and launch the Construction of Phase I thereof when appropriate.

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

(5) Commercial Properties

(a) Guangzhou Guangming Real Estates Co., Ltd. ("Guangzhou Guangming") owns a 99% interest in Metro Mall, which is situated at the Beijing Road shopping district, Yuexiu District of Guangzhou City of China. The mall has a total gross floor area of approximately 61,967 sq.m., and is a commercial complex providing dining, entertainment, shopping and cultural experience to young customers aged between 16 and 28. The average occupancy rate of the owned area of the project was approximately 84.27% for the first half of 2024.

(b) Beijing Stable Charmfull Business Management Ltd. ("Stable Charmfull", formerly known as Holiday Inn Downtown Beijing Company Limited) is a wholly-owned subsidiary of the Group and is the owner of a four-star business and leisure hotel providing 333 elegantly decorated rooms to business travelers in North Lishi Road (near Financial Street, Xicheng District), Beijing. Due to industry-specific reasons, despite being a long-time leader in terms of occupancy rates among the Beijing Holiday Inn hotel brand, the hotel's contribution to the Group's profit remained limited. Thus, the hotel signed a contract on 12 November 2019 with Beijing Shouhou Healthcare and Elderly Care Enterprise Management Limited（北京首厚康健養老企業管理有限公司）to entrust its operations. The hotel ceased operation and commenced renovations in the first quarter of 2020. The project has currently commenced operation in the second quarter of 2024.

BUSINESS PROSPECTS

In the past, the Group, as a professional property developer, focused on heavy asset investment with high input costs and long payback period, of which the huge expenditure on finance costs directly affected the profitability of the company. Since 2019, the Group has made two business transformation. First, the Group has gradually withdrawn from the pan-property development field, and continues to promote the disposal of assets of mature projects to achieve the multiple objectives of capital recovery, profit realisation and debt reduction. Secondly, we will further develop our supply chain industry. In 2023, the market scale of food consumption in China amounted to RMB9.36 trillion. According to the data from the National Bureau of Statistics, in 2023, the national catering income reached RMB5.29 trillion, and it amounted to RMB2.62 trillion in the first half of 2024, representing an increase of 7.9%. Catering consumption accounted for more than 10% of the total retail sales of consumer goods in China, serving as a leading role in the consumer market. 2024 is the year of consumption promotion, and in the first half of the year, a series of consumption promotion activities were carried out, and policies for promoting consumption were introduced and implemented, with focuses on opening up channels for the sales of characteristic agricultural products and cultivating and strengthening catering consumption. In addition, the "Decision of the Communist Party of China Central Committee on Further Comprehensively Deepening Reform and Promoting Chinese-style Modernisation (《中共中央關於進一步全面深化改革、推進中國式現代化的決定》)" considered and approved at the 20th Third Plenary Session clearly stated that the food supply chain industry is a foundational industry related to the national economy and people's livelihood. The directive spirit of this decision is conducive to enhancing the investment enthusiasm and stimulating investment vitality in the food supply chain industry, and thereby promoting technological innovation and model innovation in the industry through investments, creating job opportunities, and facilitating the high-quality growth of the food supply chain industry. To sum up, the market size of the food supply chain is expected to continue to grow in 2024. The Group will transform into a food supply chain service provider based on our existing cold storage resources and Internet platform. We are committed to empowering traditional industries with technological means, gradually participating in the food supply chain business, which is one of the necessities of people's livelihood, based on the single cold chain warehousing business. By significantly increasing the proportion of service revenue, we are hoping to achieve the long-term profit and ensure healthy capital flow and change the past dilemma of long-term backlog of capital and inability to revitalise cash flow.

2024 is the strategic transformation year for Beijing Properties to promote the high-quality development of the entire supply chain from upstream bulk trading to downstream consumption. The government has promulgated a series of policies relating to the food supply chain business. In particular, six departments including State Administration for Market Regulation has jointly issued the "Notice on Enhancing the Safety Supervision on the Prepared Dishes and Promoting the High-quality Development of the Industry (《關於加強預製菜食品安全監管促進產業高品質發展的通知》)", which for the first time clarifies the scope of prepared dishes and specifies the safety requirements thereon at national level, provides strong support for supervision and regulatory enforcement and further promotes the healthy development of the prepared dishes industry, safeguarding the food safety for the people. Besides, the meeting of the Political Bureau of the Central Committee of the Communist Party of China on 30 July emphasized that boosting consumption shall be the keystone of expanding domestic demand, the focus of economic policies shall, at a greater extent, shift towards benefiting people's livelihood and promoting consumption, efforts should be made to increase residents' income through multiple channels and enhance the consumption abilities and willingness of low to middle income groups, taking service consumption as an important means for consumption expansion and upgrading. In summary, as the main force of the consumer industry, the food supply chain will become an important support of the entire consumer market in the future. The Group develops light-asset operation business by utilizing the heavy assets invested by it. Specifically, the Group reuses the heavy-asset infrastructures invested by it, including room temperature storage, cold storage, wholesale market and Internet-based trading platform, for the supply chain services to develop light-asset operation business. By focusing on high-value product category (i.e. frozen meat) and leveraging on its advantage of professional procuring from the source, the Group will make strenuous efforts to develop downstream head customers, building a persistently stable network of downstream customers of the supply chain to serve head food-preparation factories, chain restaurants, supermarket communities and e-commerce. Meanwhile, by leveraging on the synergetic resource advantage among each of the Group's subsidiaries, the Group has developed the "five-in-all" distinctive supply chain services integrating supply chain services + storage & logistics infrastructure and industrial park operation + brand marketing end-customers orders-driven mode covering full supply chain from the source to the downstream market. By introducing upstream and downstream customers through supply chain services and renovating the Group's existing infrastructure facilities such as cold storage and logistics parks, the Group provides customised storage and logistics services on the supply chain to customers, so as to improve the utilisation rate of the facilities and reduce operation costs. Furthermore, the Group focuses on the key risk control points of every aspect along the industrial chain including storage, logistics and custom clearance, selling the products with high value-added products through downstream property companies of the Group and other terminal channels, gradually improving its profitability, and purchasing raw materials upstream and stocking for its customers, with an aim to attract more customers and businesses with the above-mentioned value services and form a three-pronged business growth model. Moreover, through the supply chain service operation business project dedicated for each city, the Group aims to conduct imported food cold chain cooperation based on free-trade zones, industrial parks and logistics parks, so as to promote the expansion and quality development of the supply chain along the national industrial chain. The Group is committed to establishing a S2B2C (source suppliers – business – customer) food industry service platform with light assets, low risks and strong cashflow in the coming three to five years.

In the future, the Group will reduce its reliance on heavy assets and the speed of investment, and shift to a development model that combines light with heavy assets. With sophisticated experience in logistics property, industrial property and cold chain business, we will increase the proportion of service business. We believe that driven by policy support and market demand, the food supply chain business is expected to develop in a more rapid, healthy and sustainable way in the future. In the meantime, we will continue to reduce operating costs and financial expenses to achieve operating profit and positive cash flow, and continue to bring benefits to shareholders.

FINANCIAL REVIEW

Revenue and gross profit analysis

The revenue (net of value-added tax and government surcharges) for the 2024 Period amounted to approximately RMB489.18 million, representing a decrease of approximately RMB268.92 million or 35.47%, from approximately RMB758.10 million for the 2023 Period. The gross profit for 2024 Period amounted to approximately RMB96.77 million, representing a decrease of approximately RMB39.46 million, or 28.97% from approximately RMB136.23 million for the 2023 Period.

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

	2024		2023		Change	
Name of assets	**Revenue**	**GP Margin**	Revenue	GP Margin	Revenue	GP Margin
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
High-end and Modern General Warehouses Business						
Shanghai	**25,963**		28,039		(2,076)	
Tianjin	**5,597**		13,493		(7,896)	
Xiamen	**–**		11,765		(11,765)	
Meishan	**4,297**		4,428		(131)	
Hainan	**–**		5,838		(5,838)	
Tongliao	**1,476**		1,430		46	
	37,333	**80.73**	64,993	84.01	(27,660)	(3.28)

Name of assets	**2024** Revenue *RMB'000*	**2024** GP Margin *%*	2023 Revenue *RMB'000*	2023 GP Margin *%*	Change Revenue *RMB'000*	Change GP Margin *%*
Cold chain logistics warehouses						
Tianjin	**4,102**		14,518		(10,416)	
Qingdao	**1,460**		1,220		240	
	5,562	**(76.18)**	15,738	49.07	(10,176)	(125.25)
Trading						
Beijing	**372,896**		586,821		(213,925)	
Tianjin	**4,615**		–		4,615	
Hong Kong	**1,608**		–		1,608	
	379,119	**4.54**	586,821	1.35	(207,702)	3.19
Specialised wholesale markets						
Quzhou Tongcheng	**20,525**	**73.74**	18,773	70.82	1,752	2.92
Industrial properties						
Zhejiang	**–**		11,905		(11,905)	
Jiangsu	**10,288**		23,316		(13,028)	
	10,288	**37.52**	35,221	52.08	(24,933)	(14.56)
Commercial properties						
Guangzhou	**16,201**		16,489		(288)	
Beijing	**20,150**		20,065		85	
	36,351	**95.32**	36,554	93.98	(203)	1.34
The Group	**489,178**	**19.78**	758,100	17.97	(268,922)	1.81

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the 2024 Period amounted to approximately RMB37.33 million, representing a decrease of approximately RMB27.66 million or 42.56% from approximately RMB64.99 million for the 2023 Period. The decrease was primarily attributable to the disposal of Meishan and Hainan projects in the second half of 2023. The gross profit margin slightly decreased from approximately 84.01% for the 2023 Period to approximately 80.73% for the 2024 Period.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the 2024 Period amounted to approximately RMB5.56 million, representing a decrease of approximately RMB10.18 million or 64.68% from approximately RMB15.74 million for the 2023 Period. The decrease was primarily attributable to the decrease in the average occupancy rate of Tianjin project from 69.86% for the 2023 Period to 35.44% for the 2024 Period. The gross profit margin changed to negative due to the decrease in revenue while the direct cost of rental income remained constant.

Trading business

The revenue contribution of trading business for the 2024 Period amounted to approximately RMB379.12 million, representing a decrease of approximately RMB207.70 million, or 35.39% from approximately RMB586.82 million for the 2023 Period. The decrease was primarily attributable to the reorganisation of customer base to align with future business development. The gross profit margin slightly increased from approximately 1.35% for the 2023 Period to approximately 4.54% for the 2024 Period.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the 2024 Period amounted to approximately RMB20.52 million, representing an increase of approximately RMB1.75 million, or 9.32%, from approximately RMB18.77 million for the 2023 Period. The increase was attributable to the increase in average occupancy rate for the 2024 Period. The gross profit margin slightly increased from approximately 70.82% for the 2023 Period to approximately 73.74% for the 2024 Period.

Industrial properties

The revenue contribution of industrial properties for the 2024 Period amounted to approximately RMB10.29 million, representing a decrease of approximately RMB24.93 million or 70.78% from approximately RMB35.22 million for the 2023 Period. The decrease was primarily attributable to the disposal of Jiaxing Project in January 2024. The gross profit margin decreased from approximately 52.08% for the 2023 Period to approximately 37.52% for the 2024 Period was mainly due to the increase in the portion of profit from disposal of properties.

Commercial properties

The revenue contribution of commercial properties for the 2024 Period amounted to approximately RMB36.35 million, representing a decrease of approximately RMB0.20 million or 0.55% from approximately RMB36.55 million for the 2023 Period. The decrease was primarily attributable to the slightly decrease in average occupancy rate of Guangzhou project. The gross profit margin slightly increased from approximately 93.98% for the 2023 Period to approximately 95.32% for the 2024 Period.

Other income and gains, net

During the 2024 Period, net other income and gains were approximately RMB59.09 million, which represented a decrease of approximately RMB92.89 million, or 61.12%, from approximately RMB151.98 million for the 2023 Period. The decrease in net other income and gains was mainly due to the net effect of (i) the decrease in exchange gain of RMB124.51 million during the 2024 Period; and (ii) the gain on disposal of subsidiaries of RMB52.28 million for the 2024 Period.

Selling and distribution expenses

During the 2024 Period, selling and distribution expenses were approximately RMB2.46 million, which represented a decrease of approximately RMB5.41 million, or 68.74%, from approximately RMB7.87 million for the 2023 Period. The decrease in selling and distribution expenses was primarily related to the cost from trading business.

Administrative expenses

During the 2024 Period, administrative expenses were approximately RMB46.25 million, which represented a decrease of approximately RMB23.31 million, or 33.51%, from approximately RMB69.56 million for the 2023 Period. The decrease in administrative expenses was primarily related to cost control for the 2024 Period.

Other expenses

During the 2024 Period, other expenses were approximately RMB7.85 million, which represented an increase of approximately RMB6.66 million, or 559.66%, from approximately RMB1.19 million for the 2023 Period. The increase in other expenses was mainly due to the increase in exchange loss for the 2024 Period.

Finance costs

During the 2024 Period, finance costs were approximately RMB158.06 million, representing a decrease of approximately RMB92.06 million, or 36.81%, from approximately RMB250.12 million for the 2023 Period. The finance costs included: (i) interest on bank and other loans of approximately RMB157.17 million (2023 Period: approximately RMB199.46 million); and (ii) interest on guaranteed bonds of approximately RMB0.89 million (2023 Period: approximately RMB50.66 million).

Share of losses of associates

During the 2024 Period, the share of losses of associates of approximately RMB7.31 million was contributed by share the results of Beijing Health Holdings Limited, a listed company on The Stock Exchange of Hong Kong Limited.

Income tax expense

Income tax expense for the 2024 Period included current income tax of RMB18.27 million (2023 Period: RMB6.74 million). Deferred tax credit for the 2024 Period was RMB0.39 million (2023 Period: deferred tax expense of RMB15.58 million) which arose from the change in the fair value of investment properties and disposal of subsidiaries.

Investment properties

Investment properties increased by approximately RMB1.61 million, which was mainly due to the capitalisation of expense for the construction of Qingdao project.

Goodwill

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

Interests in joint ventures

Interests in joint ventures represented investments in Beijing BHL Logistic Limited, a company established in the PRC.

Interests in associates

Interests in associates decreased by approximately RMB6.22 million, mainly due to the net effect of (i) share of losses of RMB7.31 million during the 2024 Period; (ii) share of reserve of RMB4.16 million; and (iii) the exchange realignment of RMB5.25 million.

Equity investments at fair value through other comprehensive income

Equity investments increased by approximately RMB5.27 million due to the increase in fair value of CAQ Holdings Limited during the 2024 period.

Land held for development or sale

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

Properties under development or held for sale

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

Cash and cash equivalents (including restricted cash)

Cash and cash equivalents increased by RMB1,594.62 million, mainly due to the net effect of (i) issuance of guaranteed bonds after deducting the issuance cost of RMB1,493.25 million; (ii) proceeds from disposal of subsidiaries after deducting cash and bank balance held by the subsidiaries of RMB233.20 million; (iii) net drawdown of bank and other borrowings of RMB37.79 million; (iv) loan arrangement fee and interest paid of RMB158.06 million; and (v) repayment of funding granted by Beijing Enterprises City Development Limited ("BE City Development", a fellow subsidiary of the Company) of RMB200.00 million.

Held for sale

Held for sale represented assets and liabilities of disposal groups from 4 logistic groups. The disposal groups are required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of State-controlled assets. As the transaction has not been completed, the assets and liabilities from the Disposal Group are classified into held for sale as at 30 June 2024. For more details, please refer to the announcements of the Company dated 18 March 2022, and the circular of the Company dated 3 August 2022.

Due to other related parties

Due to other related parties decreased by RMB206.78 million, mainly due to the repayment of loan from BE City Development of RMB200 million.

Bank and other borrowings

Bank and other borrowings increased by RMB44.83 million (non-current portion decreased by RMB217.70 million and current portion increased by RMB262.53 million), mainly due to the net effect of (i) new bank and other borrowings of RMB771.65 million; and (ii) settlement of bank and other borrowings of RMB733.86 million.

Guaranteed bonds

Guaranteed bonds represented a 3 years' period bond issued in June 2024 which has a par value of RMB1,500 million.

Liquidity and financial resources

As at 30 June 2024, for accounting purposes, the Group had total borrowings of approximately RMB8,969.50 million (31 December 2023: approximately RMB7,431.42 million) which included: (i) approximately RMB7,476.25 million from bank and other borrowings; and (ii) approximately RMB1,493.25 million from guaranteed bonds. The Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 238.63% (31 December 2023: approximately 234.91%).

As at 30 June 2024, the Group's balance of bank and other borrowings amounted to approximately RMB7,476.25 million, which was denominated in United States dollars ("USD"), Hong Kong dollars ("HK$") and Renminbi ("RMB") as to 0.40%, 5.44% and 94.16%, respectively. 15.53% of these bank and other borrowings was repayable less than one year. As at 30 June 2024, the Group's cash and bank balances amounted to approximately RMB1,969.72 million, which were denominated in USD, HK$ and RMB as to 0.84%, 0.33% and 98.83%, respectively. Bank and other borrowings of an aggregate amount of RMB3,487.16 million bear interest at floating rates, the guaranteed bonds issued in June 2024 bear coupon rate of 5.4% per annum. The cash and bank balances, together with the unutilized banking facilities, are sufficient to finance the Group's businesses at the moment.

As at 30 June 2024, the Group's current ratio and quick ratio were approximately 240.31% and 169.20%, respectively (31 December 2023: approximately 198.59% and 124.72%, respectively).

The net total borrowings of the Group as at 30 June 2024 (total borrowings less cash and cash equivalents and restricted cash) was RMB6,999.79 million (31 December 2023: RMB7,056.32 million), representing a decrease of RMB56.53 million as compared to the previous year.

Contingent liabilities

At 30 June 2024, except for a claim of supplementary compensation liability of RMB105 million for the debt owed to a bank by an associate that disclosed under headline "Litigations", the Group had no significant contingent liabilities (31 December 2023: RMB105 million).

Capital expenditures

During the 2024 Period, the Group spent approximately RMB2.02 million (2023 Period: approximately RMB12.16 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 30 June 2024, the Group had outstanding contracted capital commitments amounted to approximately RMB664.59 million in aggregate which comprised commitments for:

– the outstanding construction costs of approximately RMB556.14 million committed for logistic facilities and industrial plants.

– the outstanding capital injection of approximately RMB105 million payable for BE City Investment.

– the outstanding capital injection of approximately USD500,000 (equivalent to approximately RMB3.45 million) payable for a joint venture.

Treasury policies

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

Foreign exchange exposure

The Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and some of the Group's financing activities are determined in HK$ and USD. Meanwhile, fluctuations of exchanges rates would impact our net assets value due to currency translation upon consolidation. During the 2024 Period, the Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on our Group.

Charges on assets

As at 30 June 2024, the Group had bank loans with principal amounts of approximately RMB1,233.69 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Group and all of which were guaranteed by the Company.

Litigations

In December 2023, the Agricultural Bank of China Co., Ltd. South Sea Lishui Branch (the "Bank") sued 北京允中管理諮詢有限公司, a wholly-owned subsidiary of the Company, to bear supplementary compensation liability within the scope of RMB105 million in principal and interest for the debt owed to the Bank by 北控城投(佛山)控股集團有限公司 that guaranteed by 北控城投控股集團有限公司. 北京允中管理諮詢有限公司 has 35% equity interest of 北控城投控股集團有限公司 and the investment is classified as an associate, the claim amount of RMB105 million is being the contracted unpaid capital commitment for the associate and no guarantee has been provided to the debt by the Group. The case is pending the Foshan Intermediate People's Court hearing. The management of the Group are of the opinion that any possible legal liability which may incur from such litigation shall not have material adverse effect on the financial position of the Group.

INTERIM DIVIDEND

The Board has resolved not to recommended the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had a total of 315 (30 June 2023: 487) employees. Total staff cost incurred during the 2024 Period amounted to approximately RMB24.48 million (2023 period: RMB47.73 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SUFFICIENCY OF PUBLIC FLOAT

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE")

In the opinion of the Board, the Company complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of securities transactions of the directors. Having made specific enquiry of all directors, the Company has confirmed that all directors have complied with the required standards set out in the Model Code and its code of conduct regarding director's securities transaction during the six months ended 30 June 2024.

AUDIT COMMITTEE

The audit committee of the Company was established in accordance with the requirements of the CG Code as set out in Appendix C1 to the Listing Rules. It comprises three independent non-executive directors of the Company to review on matters regarding internal controls, risk management and financial reporting of the Group, including review of the unaudited results for the six months ended 30 June 2024 and considers that appropriate accounting policies have been adopted in the preparation of relevant results and sufficient disclosures have been made.

During the six months ended 30 June 2024, the audit committee members are all independent non-executive directors. Members of the audit committee are Mr. Goh Gen Cheung (Chairman), Mr. James Chan and Dr. Li Huiqun.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.bphl.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The 2024 interim report of the Company will be dispatched to the shareholders of the Company in September 2024 and available on the above websites in due course.

APPRECIATION

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

By Order of the Board
Beijing Properties (Holdings) Limited
Cheng Ching Fu
Company Secretary

Hong Kong, 28 August 2024

As at the date of this announcement, Mr. Zhu Yingying, Mr. Siu Kin Wai, Mr. Fang Bin, Mr. Xu Zhigang and Mr. Cheng Ching Fu are the executive Directors; and Mr. Goh Gen Cheung, Mr. James Chan and Dr. Li Huiqun are the independent non-executive Directors.