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CHEN XING

Chen Xing Development Holdings Limited

辰興發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2286)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2024 (the “**Reporting Period**”), contracted sales of the Group amounted to approximately RMB113.0 million and the corresponding contracted gross floor area (“**GFA**”) amounted to approximately 17,253 sq.m., representing a decrease of approximately 69.8% and approximately 61.3% comparing with the same period last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB1,069.5 million, of which approximately RMB1,068.6 million was revenue from property development;
- Gross profit of the Group for the Reporting Period amounted to approximately RMB256.9 million, of which approximately RMB256.0 million was gross profit from property development;
- Net profit of the Group for the Reporting Period amounted to approximately RMB92.5 million, of which approximately RMB26.3 million was net profit attributable to equity owners of the Company;
- Total GFA of land bank of the Group amounted to 1,895,915 sq.m. and the average cost of land bank was approximately RMB814.7 per sq.m. as at the end of the Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB6,549.6 per sq.m.;
- Basic earnings per share of the Company for the Reporting Period was approximately RMB0.04; and
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2024.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2024 together with the comparative figures for the same period in 2023. The Group’s interim results have not yet been audited, but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB’000 (unaudited)	2023 RMB’000 (unaudited)
REVENUE	5	1,069,521	240,155
Cost of sales		(812,586)	(174,583)
Gross profit		256,935	65,572
Other income and gains	5	7,860	3,823
Selling and distribution expenses		(27,403)	(10,131)
Administrative expenses		(28,901)	(19,861)
Reversal on provision on expected credit loss on financial assets, net		2,205	2,277
Other expenses		(1,703)	(128)
Finance costs		(94,225)	(16,525)
Deemed investment income from disposal of subsidiaries		45,720	—
Share of profits of Joint ventures		1,226	1,048
PROFIT BEFORE TAX	6	161,714	26,075
Income tax expense	7	(69,255)	(20,661)
PROFIT FOR THE PERIOD		92,459	5,414
Attributable to:			
Owners of the parent		26,268	4,823
Non-controlling interests		66,191	591
		92,459	5,414
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted — profit for the period	8	RMB0.04	RMB0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	<u>92,459</u>	<u>5,414</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>328</u>	<u>1,524</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>328</u>	<u>1,524</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	425	9,619
Income tax effect	<u>(106)</u>	<u>(2,405)</u>
	319	7,214
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>319</u>	<u>7,214</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>647</u>	<u>8,738</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>93,106</u>	<u>14,152</u>
Attributable to:		
Owners of the parent	26,915	13,561
Non-controlling interests	<u>66,191</u>	<u>591</u>
	<u>93,106</u>	<u>14,152</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2024

	<i>Notes</i>	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	50,299	54,403
Investment properties		103,000	103,000
Right-of-use assets		1,075	1,097
Properties under development		278,330	245,647
Intangible assets		4	5
Investment in joint ventures		6,911	5,684
Equity investments designated at fair value through other comprehensive income		62,761	62,336
Time deposit		—	—
Deferred tax assets		192,974	228,048
		<hr/>	<hr/>
Total non-current assets		695,354	700,220
CURRENT ASSETS			
Properties under development		3,861,387	4,825,851
Completed properties held for sale		1,259,322	915,170
Inventories		30,610	28,064
Trade receivables	10	2,729	2,164
Prepayments, other receivables and other assets		2,991,675	3,200,329
Tax recoverable		63,982	89,354
Pledged deposits		10,651	10,149
Restricted cash		406	42,919
Cash and cash equivalents		188,782	203,689
		<hr/>	<hr/>
		8,409,544	9,317,689
Assets of a disposal group classified as held for sale		—	3,186,357
		<hr/>	<hr/>
Total current assets		8,409,544	12,504,046

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

For the six months ended 30 June 2024

	<i>Note</i>	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
CURRENT LIABILITIES			
Trade and bills payables	11	854,330	824,136
Other payables and accruals		1,001,346	954,662
Contract liabilities		2,760,746	3,668,861
Interest-bearing bank and other borrowings		2,453,338	2,815,782
Tax payable		147,780	123,125
		<u>7,217,540</u>	<u>8,386,566</u>
Liabilities of a disposal group classified as held for sale		—	3,059,057
		<u>7,217,540</u>	<u>11,445,623</u>
TOTAL CURRENT LIABILITIES		<u>7,217,540</u>	<u>11,445,623</u>
NET CURRENT ASSETS		<u>1,192,004</u>	<u>1,058,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,887,358</u>	<u>1,758,643</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		349,108	42,000
Deferred tax liabilities		22,838	22,838
Other payables		63,600	63,600
		<u>435,546</u>	<u>128,438</u>
TOTAL NON-CURRENT LIABILITIES		<u>435,546</u>	<u>128,438</u>
NET ASSETS		<u><u>1,451,812</u></u>	<u><u>1,630,205</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		4,855	4,855
Reserves		1,254,579	1,385,273
		<u>1,259,434</u>	<u>1,390,128</u>
Non-controlling interests		192,378	240,077
		<u>192,378</u>	<u>240,077</u>
TOTAL EQUITY		<u><u>1,451,812</u></u>	<u><u>1,630,205</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at 18 Anning Street, Yuci District, Jinzhong City, Shanxi Province, the People's Republic of China (the "PRC").

The Company is an investment holding company and its subsidiaries are principally engaged in property development with focus on development projects of residential and commercial properties.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, wealth management products and equity investment which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the annual financial statements for that financial year of the Group but is derived from those financial statements. BDO Limited, the auditor of the Company, has reported on those financial statements on 27 March 2024. The auditor's opinion was not modified but included a reference to a matter to which the auditor drew attention for material uncertainty related to going concern. The unaudited condensed consolidated interim financial information has not been audited, but has been reviewed by the Audit Committee.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period's financial statements.

The Company have applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2023 annual report, except for the following new standards and amendments which apply for the first time in 2024. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or the required accounting is consistent with the Group's current accounting policies. The following new standards and amendments are effective for the period beginning 1 January 2024.

Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
HK Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these new or amended HKFRSs did not have any material impact on the Group's accounting policies.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the six months ended 30 June 2024 and 2023.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<i>Revenue from contracts with customers</i>	1,068,552	237,865
<i>Revenue from other sources</i>		
Property leasing income	969	2,290
	<u>1,069,521</u>	<u>240,155</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Type of goods or services		
Sale of properties	1,068,552	237,865
Total revenue from contracts with customers	<u>1,068,552</u>	<u>237,865</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>1,068,552</u>	<u>237,865</u>

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Bank interest income	317	1,199
Interest income from third parties	30	—
Gross rental income	1,138	1,771
Others	6,375	853
	<u>7,860</u>	<u>3,823</u>

6. PROFIT BEFORE TAX

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

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of properties sold	812,586	173,684
Depreciation of property, plant and equipment	3,048	4,552
Depreciation of right-of-use assets	22	22
Amortisation of intangible assets	1	2
Lease payments not included in the measurement of lease liabilities	—	44
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	4,828	7,953
Pension scheme contributions	681	815
Staff welfare expense	951	1,515
	<u>6,459</u>	<u>10,283</u>
Bank interest income	(317)	(1,199)
Interest income from third parties	(30)	—

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The major components of the Group's income tax expense are as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
Income tax charge	34,287	23,130
Land appreciation tax	—	10,094
Deferred tax	34,968	(12,563)
	<hr/>	<hr/>
Total tax charge for the period	<u>69,255</u>	<u>20,661</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share attributable to ordinary equity holders of the parent is based on the following data:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	26,268	4,823
	<hr/>	<hr/>

For the six months ended
30 June
2024 2023
'000 **'000**
(unaudited) **(unaudited)**

Shares:

Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	<u>600,000</u>	<u>600,000</u>
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The Group did not have any dilutive potential ordinary shares during the six months ended 30 June 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of RMB285,373 (the six months ended 30 June 2023: RMB1,469,000).

During the six months ended 30 June 2024, the Group disposed of assets with a cost of RMB3,031,619 (the six months ended 30 June 2023: RMB5,000).

10. 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:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within 3 months	545	—
3 to 6 months	—	—
6 to 12 months	—	2,164
Over 12 months	<u>2,184</u>	<u>—</u>
	<u>2,729</u>	<u>2,164</u>

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables at the end of the Reporting Period, based on the payment due dates, is as follows:

	As at 30 June 2024 <i>RMB'000</i> (unaudited)	As at 31 December 2023 <i>RMB'000</i> (audited)
Less than 1 year	148,456	188,785
1 to 2 years	126,582	272,331
2 to 3 years	255,169	220,431
3 to 4 years	220,050	82,576
4 to 5 years	64,440	275
Over 5 years	39,633	59,738
	<hr/> 854,330 <hr/>	<hr/> 824,136 <hr/>

12. DIVIDENDS

The Board did not declare any interim dividend for the six months ended 30 June 2024 (the six months ended 30 June 2023: Nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended 30 June 2024.

REVIEW OF RESULTS FOR THE FIRST HALF YEAR OF 2024

Industry and market overview

In the first half of 2024, the overall national real estate market maintained the adjustment trend, and the market activity improved. However, the overall market was still under pressure and the industry faced greater performance pressure. The market performance of different regions and cities were also significantly differentiated. With the continuous improvement of policy orientation on the national real estate market, the government issued a number of policies to promote the smooth transition of the market and build a new industry development model, and formulated a number of policies and measures to promote sales of the existing real estate and optimize increased housings. Meanwhile, many cities adjusted the purchase restriction policy to stimulate the potential market demand and boost consumer confidence. In terms of market supply and demand, both the sales area and sales of commercial housing in the first half of 2024 declined. After the implementation of a number of policies, the transaction rate of second-hand housings in certain core cities took the lead in improvement, and the second-hand housing market performed better than that of new housings. However, the overall new and second-hand housing markets in the third-tier and fourth-tier cities in the Mainland China require further improvement, and it still takes time for various policies to take effects.

In terms of the land market, in the first half of 2024, the supply and demand of residential land across the country fell by more than 30% year-on-year, and the average accommodation value and premium rate of land transactions dropped as compared with the same period last year. Due to the continuous optimization of land auction rules in many places, real estate enterprises were more enthusiastic about investing in high-quality land parcels, while they maintained a cautious attitude for the land parcels with low cost performance. In respect of finance, with the strengthening of financial supervision, financial risks for real estate were under effective control. With the gradual emergence of the influence of adjustment to financial and credit policies of banks on the real estate market, many real estate enterprises gradually eased the pressure of operating funds under the influence of credit policies. However, as a result of the increase in the concentration of the real estate industry, the internal differentiation was gradually obvious, and the competitive pressure of sales decline and the internal risk of the small and medium-sized real estate enterprises were much higher than those of the head real estate enterprises. Therefore, small and medium-sized real estate enterprises are still under greater survival pressure.

Business overview

The Company's sales performance for the first half of 2024 fell short of the set target. The sales market of the Company was mainly concentrated in the third-tier and fourth-tier cities, with less inventory backlog and new construction area in 2024 and a significant decrease in sales. Due to the carryforward of revenue upon delivery of phase I of the Jinhutingyuan (金湖庭院) project of the Company in Mianyang, Sichuan in the first half of 2024, and the disposal of 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司), the Company's revenue for the first half of 2024 increased as compared to the same period last year. However, the Company remained affected by the overall real estate industry and market environment and faced the risk of market and industry adjustments. Under the unremitting efforts of the Board and management of the Company, the Company adjusted its business strategy in a timely manner to grade and screen the Company's businesses. While proceeding with integration of business and sale of non-key projects to reduce the operating pressure, studying government policies in a timely manner and proactively seeking methods to mitigate risks, the Company also proactively sought for excellent partners for common development, so as to ensure the stable operation of the Group.

During the Reporting Period, the Group's contracted sales amounted to approximately RMB113.0 million, representing a decrease of approximately 69.8% from RMB376.3 million as compared with the same period last year; the Group's total contracted GFA amounted to approximately 17,253 sq.m., representing a decrease of approximately 61.3% from 44,996 sq.m. as compared with the same period last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared with the same period of last year, of which approximately RMB1,068.6 million was revenue from property development, representing an increase of approximately 349.2% as compared with the same period of last year. During the Reporting Period, the net profit attributable to the owners of the parent of the Company was approximately RMB26.3 million, representing an increase of approximately 447.9% as compared with the same period of last year.

During the Reporting Period, the Group's land bank was approximately 1,895,915 sq.m.

PROSPECTS FOR SECOND HALF OF 2024

In the first half of 2024, the real estate market showed certain fluctuations and adjustments under the influence of government policy regulation and market supply and demand. Although the market is facing certain pressure, with the further optimization of policies and the gradual recovery of market confidence, it is expected that the real estate market will gradually repair and achieve a moderate recovery in the second half of the year. Policy remains a key factor affecting the real estate market, and the government is expected to further adopt policies to stabilize the market, including adjusting policies on purchase restriction and loan restriction, increasing support for housing consumption, etc. At the same time, the government will strengthen supervision over the real estate market and real estate finance to prevent market risks. The supply and demand relationship and development direction of the real estate market will still be subject to adjustments. With the recovery of the economy, the restoration of consumer confidence and the increase in affordable housing, the demand for housing for home upgrades will gradually increase.

With the adjustment of the real estate market and industry, the differentiation of regional markets and the competition in the real estate industry will be intensified, the industry concentration will be further enhanced, and the weaker small and medium-sized real estate enterprises may face more severe crises and difficulties. With the adjustment of the market, the market of housing for home upgrades will usher in a window period. Due to the saturation of the rigid demand market and the government's support for the release of reasonable demand for housing for home upgrades, it is expected that the demand for housing for home upgrades will see a breakthrough development in the future.

Based on the study of the current situation of the real estate market and the forecast of future development in the PRC, in the second half of 2024, following the direction of industry adjustment, the Company will seize the window period of the market of housing for home upgrades to adjust its development strategy and seize market opportunities to achieve steady development. Meanwhile, the Company will adjust its business philosophy and strengthen the Company's internal fund management, to improve the efficiency of the use of funds and strengthen its own risk management and market adaptability, in order to cope with various changes and challenges in the market.

The Company will continue to focus on the development of high-end housing for home upgrades to follow the essence of residence as its core philosophy. It will develop high-end properties of housing for home upgrades on the theme of living environment, neighborhood environment, harmonious coexistence, etc. and use new materials and technologies to develop green and healthy housing to meet the demand for housing for home upgrades. In order to provide high-end housing for home upgrades with higher quality and better services, the Company will enhance its core competitiveness by strengthening product research and development to further the Company's development in the market and industry. In terms of corporate team building, the Company will also create a professional core team and high-caliber management team, and widely select excellent talents in line with industry development requirements and business philosophy of the Company in the process of industry adjustment, so as to meet the Company's talent needs for operation and development. The Company will continue to control operating costs, optimize human resources, and streamline the Company's management process. It will formulate measures to improve the Company's management efficiency from various aspects, and create new enterprise management models to comply with new trends in industry development and market development changes.

ACKNOWLEDGEMENT

Finally, I would like to express my sincerest gratitude on behalf of the Board to the management and staff of the Company for their hard work. At the same time, I would also like to thank the investors, customers and partners for their great support and trust in the Group.

Bai Xuankui
Chairman

Shanxi, the PRC
28 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, the Group's contracted sales amounted to approximately RMB113.0 million, representing a decrease of approximately 69.8% as compared with the same period of last year. During the Reporting Period, the Group's revenue amounted to approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared to the same period of last year, among which, revenue derived from property development was approximately RMB1,068.6 million, representing an increase of approximately 349.2% as compared with the same period of last year. During the Reporting Period, the Group had gross profit of approximately RMB256.9 million, net profit of approximately RMB92.5 million, of which net profit attributable to equity owners of the Company was approximately RMB26.3 million.

Contracted Sales

The Group's contracted sales for the six months ended 30 June 2024 and 2023 were approximately RMB113.0 million and RMB376.3 million, respectively, representing a decrease of approximately 69.8%. The total contracted GFA for the six months ended 30 June 2024 and 2023 were approximately 17,253 sq.m. and 44,996 sq.m., respectively, representing a decrease of approximately 61.3%. By geographical location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou were approximately RMB21.0 million, RMB31.7 million, RMB47.4 million and RMB12.9 million, respectively, representing approximately 18.6%, 28.1%, 41.9% and 11.4% of the Group's total contracted sales, respectively.

The table below sets forth the Group's contracted sales for the six months ended 30 June 2024 by geographical location:

	Contracted Sales for the six months ended 30 June 2024 (RMB million)	Contracted Sales for the six months ended 30 June 2023 (RMB million)	Contracted GFA for the six months ended 30 June 2024 (sq.m.)	Contracted GFA for the six months ended 30 June 2023 (sq.m.)	Average Contracted Sales Price for the six months ended 30 June 2024 (RMB/sq.m.)	Average Contracted Sales Price for the six months ended 30 June 2023 (RMB/sq.m.)
Jinzhong						
Chenxing Yijun (辰興頤郡)	19.0	18.9	2,995	2,976	6,357.5	6,345.9
Xin Xing International Cultural Town (新興國際文教城) (Phases III, IV and V)	2.0	—	372	—	5,388.0	—
Taiyuan						
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase I)	14.9	15.1	1,426	1,414	10,414.5	10,651.2
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase II)	2.0	0.6	341	—	5,871.8	—
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase III)	14.8	19.8	3,489	3,325	4,249.4	5,954.8
Mianyang						
Elite Gardens (天禦)	—	4.1	—	779.0	—	5,261.0
Chang Xing Star Gardens (長興星城)	6.2	14.0	1,903	2,714	3,264.0	5,141.4
Chang Xing Jinhutingyuan (長興金湖庭院)	41.2	264.0	5,830	28,686	7,071.7	9,204.1
Hainan						
Chenxing Shangpinhui (辰興尚品匯)	3.9	38.2	138	4,666	28,196.2	8,185.1
Jiangdong Shangyuan (江東上院)	9.0	—	759	—	11,812.0	—
Total	113.0	374.7	17,253	44,560	6,549.6	8,408.9

Note:

Contracted sales, total contracted GFA and average contracted sales price in the above table also include car parking spaces sold, if applicable.

Property Projects

The Group's property projects are divided into the following three categories depending on their development stages: completed properties, properties under development and properties held for future development. As some of the projects are developed successively in several phases, a single project may involve different development phases like completed, under development and held for future development.

As at 30 June 2024, the Group had a completed total GFA of approximately 3,282,572 sq.m. and a land bank with a total GFA of approximately 1,895,915 sq.m., comprising (i) a total GFA of approximately 205,587 sq.m. which is completed but unsold; (ii) a total GFA of approximately 851,984 sq.m. which is under development; and (iii) a total planned GFA of approximately 838,344 sq.m. held for future development.

The Group selectively retains the ownership of substantially all self-developed commercial properties with strategic values to generate sustainable and stable revenue. As at 30 June 2024, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

Property Portfolio Summary

Intended use⁽¹⁾	Total GFA completed <i>(sq.m.)</i>	GFA under development <i>(sq.m.)</i>	Total GFA held for future development <i>(sq.m.)</i>
Mid-rise	820,511	53,873	248,100
High-rise	1,258,095	201,544	152,516
Townhouses	78,468	84,699	126,837
Multi-story garden apartments	576,743	124,427	16,771
Retail outlets	249,260	99,903	73,643
SOHO apartments	6,931	15,984	—
Hotels	10,845	96,034	17,535
Parking spaces	275,436	159,593	191,882
Ancillary ⁽²⁾	6,283	15,927	11,060
Total GFA	3,282,572	851,984	838,344
Attributable GFA ⁽³⁾	3,222,268	851,984	737,346

Notes:

- (1) Includes the portion of GFA held by the Group as public facilities (not saleable or leasable).
- (2) Includes primarily public facilities which are not saleable or leaseable.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interest in the relevant projects or project phases.

Completed Projects

The following table sets forth a summary of information on the Group's completed projects and corresponding project phases, if any, as at 30 June 2024:

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)	
Jinzhong											
1.	East Lake Mall (東湖井)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	July 2000	1,330	17,886	—	10,610	7,276	—	100.00
2.	Grand International Mall & Apartments (君豪國際)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	—	100.00
3.	Blossom Gardens (錦綉新城)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	April 2007	5,261	39,080	—	—	39,080	—	100.00
4.	Xin Xing International Cultural Town (新興國際文教城)										
	Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	December 2005	5,600	24,602	—	—	24,602	—	100.00
	Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	April 2012	17,968	93,061	—	—	92,910	151	100.00
	Phase III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2009	255,918	545,047	2,327	—	542,720	—	100.00
	Phase IV	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	July 2016	30,987	71,103	747	—	70,356	—	100.00
	Phase V	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	July 2016	22,578	50,438	3,266	—	46,137	1,035	100.00

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable GFA		GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)	
						remaining unsold (sq.m.)	GFA held for investment (sq.m.)				
5.	Upper East Gardens (上東庭院)										
	Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	November 2006	19,361	47,926	—	—	47,926	—	100.00
	Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2011	24,343	75,889	—	—	75,889	—	100.00
6.	Riverside Gardens — Zuoquan (左權濱河嘉園)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	December 2007	73,035	98,545	—	—	97,990	555	100.00
7.	SOLO Apartments (尚座公寓)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial/ Complex	September 2009	2,411	9,783	257	—	9,526	—	100.00
8.	Riverside Gardens — Heshun (和順濱河小區)										
	Stage I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	June 2008	60,100	62,508	—	—	62,168	340	100.00
	Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	October 2012	5,898	51,217	—	—	51,217	—	100.00
9.	Mandarin Gardens — Taigu (太谷文華庭院)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	May 2011	30,690	51,525	—	—	51,525	—	100.00
10.	Shuncheng Street Underground Space (順城街地下空間)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	August 2015	—	897	—	—	897	—	100.00
11.	Chenxing Yijun (辰興頤郡) Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	January 2022	19,056	35,676	17,409	—	17,803	464	100.00

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)	
Taiyuan											
1.	Yosemite Valley Town — Taiyuan (龍城優山美郡)										
	Southern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	December 2014	117,128	406,165	13,451	—	392,714	—	100.00
	Northern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	November 2016	108,005	397,867	11,155	—	316,333	70,379	100.00
	Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	June 2020	86,318	246,891	12,944	—	233,947	—	100.00
Mianyang											
1.	Yosemite Valley Town (優山美郡)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	May 2012	74,124	126,329	5,288	—	119,196	1,845	100.00
2.	Elite Gardens (天禦)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	September 2014	68,529	116,816	1,265	—	114,864	687	100.00
3.	Star Gardens (星城)										
	Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	June 2017	68,150	288,450	3,321	—	283,808	1,321	100.00
	Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	November 2020	36,158	122,271	1,421	—	119,919	931	100.00
4.	Jinhutingyuan (金湖庭院)										
	Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	June 2024	62,672	150,760	37,359	—	113,401	—	60.00
Haikou											
1.	Shangpinhui (尚品匯)	Haikou City, Hainan Province (海南省海口市)	Commercial	April 2024	43,795	86,296	86,296	—	—	—	100.00
Total					1,246,880	3,282,572	205,587	18,851	2,980,426	77,708	
Attributable GFA⁽³⁾					1,221,811	3,222,268	190,643	18,851	2,935,066	77,708	

Notes:

- (1) Includes the GFA held by the Group as public facilities (not saleable or leasable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

Properties under Development and Properties Held for Future Development

The following table sets forth a summary of information on the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 30 June 2024:

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development			Planned GFA (sq.m.)	Held for future development GFA with land use right certificate not yet obtained	Ownership interest ⁽¹⁾ (%)
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)		(sq.m.)	
Jinzhong										
1.	Chenxing Yijun (辰興頤郡)		178,230		95,348	92,599	53,709	356,400	—	100.00
	Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	37,545	September 2024	95,348	92,599	53,709	—	—	100.00
	Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	37,462	December 2026	—	—	—	99,500	—	100.00
	Stage III	Jinzhong City, Shanxi Province (山西省晉中市)	85,669	December 2026	—	—	—	209,300	—	100.00
	Stage IV	Jinzhong City, Shanxi Province (山西省晉中市)	17,554	December 2026	—	—	—	47,600	—	100.00
2.	Shiguang Zhicheng (時光之城)	Jinzhong City, Shanxi Province (山西省晉中市)	28,296	December 2025	112,383	53,880	—	—	—	100.00
3.	Jinxiu SOHO (錦綉中心)	Jinzhong City, Shanxi Province (山西省晉中市)	3,461	December 2025	20,506	—	—	—	—	100.00

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development			Held for future development GFA with land use right certificate		Ownership interest ⁽¹⁾ (%)
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	not yet obtained (sq.m.)	
Taiyuan										
1.	Yosemite Valley Town — Taiyuan (龍城優山美郡)		107,038		358,948	334,732	264,349	—	—	100.00
	Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	24,917	September 2024	129,448	118,086	89,071	—	—	100.00
	Phase III	Taiyuan City, Shanxi Province (山西省太原市)	60,273	November 2024	216,881	216,646	175,278	—	—	100.00
	Phase IV	Taiyuan City, Shanxi Province (山西省太原市)	21,848	September 2024	12,619	—	—	—	—	100.00
Haikou										
1.	Jiangdong Shangyuan (江東上院)	Haikou City, Hainan Province (海南省海口市)	57,446	December 2024	56,425	10,844	1,401	17,240	—	100.00
Wuzhishan										
1.	Yijun (頤郡)		92,522		136,422	12,293	—	—	—	100.00
	Phase I	Wuzhishan City, Hainan Province (海南省五指山 市)	28,745	November 2024	48,013	1,559	—	—	—	100.00
	Phase II	Wuzhishan City, Hainan Province (海南省五指山 市)	23,827	May 2026	35,274	—	—	—	—	100.00
	Phase III	Wuzhishan City, Hainan Province (海南省五指山 市)	18,244	May 2026	26,666	10,734	—	—	—	100.00
	Phase IV	Wuzhishan City, Hainan Province (海南省五指山 市)	21,706	May 2026	26,469	—	—	—	—	100.00

Project	Location	Project type	Site area (sq.m.)	Actual/estimated completion date	Under development			Held for future development	Ownership interest ⁽¹⁾ (%)	
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)		GFA with land use right certificate not yet obtained (sq.m.)
Xishuangbanna										
1.	Chenxing International Health City (辰 興國際健康城)		223,889		71,952	—	—	212,208	—	100.00
	Stage I	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版 納傣族自治州)	14,049	December 2025	17,831	—	—	—	—	100.00
	Stage II	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版 納傣族自治州)	127,466	December 2026	54,121	—	—	107,659	—	100.00
	Stage III	Xishuangbanna Dai Autonomous Prefecture, Yunnan Province (雲南省西雙版 納傣族自治州)	82,374	December 2027	—	—	—	104,549	—	100.00
Mianyang										
1.	Jinhutingyuan (金湖庭院)		91,695		—	—	—	252,496	—	60.00
	Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	91,695	December 2026	—	—	—	252,496	—	60.00
Total			782,577		851,984	504,348	319,459	838,344	—	
Attributable GFA⁽²⁾					851,984	504,348	319,459	737,346	—	

Notes:

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

The table below sets forth a summary of information on the Group's investment properties as at 30 June 2024:

Project	Type of property	Total GFA held for investment (sq.m.)	Effective leased GFA (sq.m.)	Occupancy rate (%)	Rental income for the six months ended 30 June	
					2024 (RMB million)	2023
Grand International Mall & Apartments (君豪國際)	Retail outlets	8,241	—	—	0.24	—
East Lake Mall (東湖井)	Retail outlets	10,610	559	5.3	0.18	0.6
Office Building of West Yingbin Street (迎賓西街 辦公樓)	Retail outlets	2,762	2,680	97.0	0.55	1.7
Total		21,613	3,239	—	0.97	2.3

The table below sets forth a summary of the Group's land bank as at 30 June 2024 by geographical location:

	Completed Saleable/ Leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	Future development Planned GFA (sq.m.)	Total land bank ⁽¹⁾ Total GFA (sq.m.)	Percentage of total land bank (%)	Average land cost (RMB/sq.m.)
Jinzhong	33,087	228,237	356,400	617,724	32.6	798.3
Taiyuan	37,550	358,948	—	396,498	20.9	393.5
Mianyang	48,654	—	252,496	301,150	15.9	1,085.9
Haikou	86,296	56,425	17,240	159,961	8.4	2,344.8
Wuzhishan	—	136,422	—	136,422	7.2	1,145.2
Xishuangbanna	—	71,952	212,208	284,160	15.0	987.3
Total	205,587	851,984	838,344	1,895,915	100.0	814.7

Note:

- (1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The table below sets forth a summary of the Group's land bank as at 30 June 2024 by type of property:

	Completed Saleable/ Leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	Future development Planned GFA (sq.m.)	Total land bank ⁽¹⁾ Total GFA (sq.m.)	Percentage of total land bank (%)
Mid-rise	18,133	53,873	248,100	320,106	16.9
High-rise	14,852	201,544	152,516	368,912	19.5
Townhouses	15,990	84,699	126,837	227,526	12.0
Multi-story garden apartments	3,408	124,427	16,771	144,606	7.6
Available-for-sale office/ commercial properties	91,715	99,903	73,643	265,261	14.0
SOHO apartments	58	15,984	—	16,042	0.9
Hotels	10,845	96,034	17,535	124,414	6.5
Parking spaces	50,586	159,593	191,882	402,061	21.2
Ancillary facilities ⁽²⁾	—	15,927	11,060	26,987	1.4
Total	<u>205,587</u>	<u>851,984</u>	<u>838,344</u>	<u>1,895,915</u>	<u>100.0</u>

Notes:

- (1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.
- (2) Includes primarily public facilities which are not saleable.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB1,069.5 million, representing an increase of approximately 345.3% as compared with approximately RMB240.2 million for the corresponding period of last year. The increase was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB1,068.6 million, representing an increase of approximately 349.2% as compared with approximately RMB237.9 million for the corresponding period of last year. The increase was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

Sales and Services Cost

The Group's sales and services cost increased by approximately 365.4% from approximately RMB174.6 million for the six months ended 30 June 2023 to approximately RMB812.6 million for the six months ended 30 June 2024, which was mainly due to the completion and settlement of the Phase I project of Jinhutingyuan (金湖庭院) and the carryforward of revenue upon satisfaction of delivery conditions during the Reporting Period.

Gross Profit

During the Reporting Period, the Group's gross profit was approximately RMB256.9 million, representing an increase of approximately 291.6% from approximately RMB65.6 million for the six months ended 30 June 2023. The Group's gross profit margin during the Reporting Period was approximately 24.0%, representing a decrease of 3.3% as compared with approximately 27.3% for the six months ended 30 June 2023.

During the Reporting Period, the Group's gross profit on property development was approximately RMB256.0 million, representing an increase of approximately 298.8% as compared with approximately RMB64.2 million for the six months ended 30 June 2023. The increase in the gross profit on property development of the Group was mainly due to the significant increase in revenue during the Reporting Period.

During the Reporting Period, the gross profit margin of property development of the Group was approximately 24.0%, representing a decrease of 3.0% as compared with a gross profit margin of property development of approximately 27.0% for the six months ended 30 June 2023.

Other Income and Gains

The Group's other income and gains amounted to approximately RMB7.9 million during the Reporting Period, representing an increase of approximately 107.8% as compared with approximately RMB3.8 million for the six months ended 30 June 2023. The increase was mainly due to the receipt of compensation for legal proceedings during the Reporting Period.

Net Profit Attributable to Owners of the Parent of the Company

During the Reporting Period, the net profit attributable to owners of the parent of the Company was approximately RMB26.3 million, representing an increase of approximately 447.9% from approximately RMB4.8 million for the six months ended 30 June 2023. The increase in the net profit attributable to owners of the parent of the Company was mainly due to the combined effect of: (A) the increase in revenue of the Group from RMB240.2 million for the six months ended 30 June 2023 to approximately RMB1,069.5 million for the Reporting Period and the increase in investment income of RMB45.7 million from deemed disposal of a subsidiary due to, among others, (i) the carryforward of revenue upon delivery of completed properties of the Phase I project of Jinhutingyuan (金湖庭院) and (ii) the disposal of 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司); and (B) the increase in finance costs of approximately RMB60.9 million due to the expensing of interests incurred on the special borrowings of the urban village renovation project of Beigunian.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 171.3% from approximately RMB10.1 million for the six months ended 30 June 2023 to approximately RMB27.4 million for the Reporting Period, and the increase was primarily due to the increase in corresponding sales agent fees upon carryforward of revenue from properties delivered from the Phase I project of Jinhutingyuan (金湖庭院) during the Reporting Period.

Administrative Expenses

The Group's administrative expenses increased by approximately 45.2% from approximately RMB19.9 million for the six months ended 30 June 2023 to approximately RMB28.9 million for the Reporting Period, primarily due to the significant carryforward of revenue from the Phase I project of Jinhutingyuan (金湖庭院), resulting in an increase in taxes payable during the Reporting Period.

Finance Costs

The Group's finance costs increased by approximately 470.9% from approximately RMB16.5 million for the six months ended 30 June 2023 to approximately RMB94.2 million for the Reporting Period, primarily due to the expensing of interests incurred on the special borrowings of the urban village renovation project of Beigunian during the Reporting Period.

Income Tax Expenses

The Group's income tax expenses increased by approximately 234.8% from approximately RMB20.7 million for the six months ended 30 June 2023 to approximately RMB69.3 million for the Reporting Period, primarily due to the significant increase in total profit resulting from the significant carryforward of revenue from the Phase I project of Jinhutingyuan (金湖庭院) during the Reporting Period.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, the Group's profit and total comprehensive income for the period increased by approximately 555.6% from approximately RMB14.2 million for the six months ended 30 June 2023 to approximately RMB93.1 million for the Reporting Period.

Cash Position

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB188.8 million, representing a decrease of approximately 7.3% as compared with approximately RMB203.7 million as at 31 December 2023.

Net Operating Cash Flow

The Group recorded a positive operating cash flow of approximately RMB48.7 million as at 30 June 2024 as compared with a negative operating cash flow of approximately RMB66.3 million as at 30 June 2023.

Borrowings

The Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,802.4 million and RMB244.9 million, respectively, as at 30 June 2024 while the Group had outstanding bank and other borrowings and borrowings from related parties of approximately RMB2,857.8 million and RMB216.3 million as at 31 December 2023.

Pledged Assets

Certain of the Group's borrowings were secured by properties under development, investment properties, as well as property, plant and equipment, or a combination of the above items. As at 30 June 2024, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB2,081.8 million, while the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB2,260.2 million as at 31 December 2023.

Financial Guarantees and Contingent Liabilities

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the

mortgage loan granted. As at 30 June 2024, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,043.4 million, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,353.8 million as at 31 December 2023.

The Group had no significant contingent liabilities as at 30 June 2024.

Gearing Ratio

As at the end of the Reporting Period, based on the Group's total debt of approximately RMB2,802.4 million and total equity of approximately RMB1,451.8 million, the gearing ratio of the Group was approximately 193.0% (31 December 2023: approximately 175.3%). Gearing ratio is calculated by dividing total debt over total equity, and total debt includes interest-bearing bank and other borrowings. The increase in gearing ratio was mainly due to the decrease in total equity resulting from the acquisition of non-controlling interests during the Reporting Period.

Foreign Currency Risk

The Group operates primarily in the PRC and most of its revenues and expenses are settled in RMB. The Group is exposed to foreign currency risks because its bank balances are denominated in HK dollar and the value of which will fluctuate with exchange rate fluctuations. The exchange rate between RMB and HK dollar may fluctuate as a result of various factors, such as changes in China's political and economic conditions. The Board expects that the fluctuation of the RMB exchange rate will not have a material adverse effect on the Group. The Group does not have a hedging policy in relation to the foreign currency risk.

Material Acquisitions and Disposal of Subsidiaries or Associates

On 29 December 2023, Chenxing Real Estate Development Co., Ltd.* (辰興房地產發展有限公司) (“**Chenxing Real Estate**”), an indirect wholly-owned subsidiary of the Company, and Jinzhong Development Zone Development and Construction Group Co., Ltd.* (晉中開發區開發建設集團有限公司) (“**Jinzhong Development and Construction**”) entered into an equity transfer agreement. Pursuant to the terms and conditions of the equity transfer agreement, Chenxing Real Estate has conditionally agreed to sell, and Jinzhong Development and Construction has conditionally agreed to purchase, 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司) (“**Jinzhong Development**”), which in turn owns and controls approximately 67% of the equity interest in Jinzhong Xiya Real Estate Development Co., Ltd.* (晉中熙雅房地產開發有限公司) (“**Jinzhong Xiya**”) (the “**Disposal**”), at a total consideration of RMB100,600,000. On 25 January 2024 and 26 January 2024, the Company received consideration of RMB34,789,345 for the Disposal. During the Reporting Period, investment income of RMB45,719,502 was recognized for the disposal of subsidiaries and non-controlling interests decreased by RMB136,418,537. Upon completion of the Disposal, Jinzhong Development and Jinzhong Xiya will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Group.

For details of the Disposal, please refer to the announcements of the Company dated 29 December 2023, 22 January 2024, 31 January 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

On 8 January 2024, the Chenxing Real Estate and Sichuan Changxing Industrial (Group) Company Limited* (四川長興實業(集團)有限公司) (“**Sichuan Changxing**”) entered into an equity transfer agreement. Pursuant to the terms of the equity transfer agreement, the Chenxing Real Estate has conditionally agreed to purchase and Sichuan Changxing has conditionally agreed to sell the 16.1074% equity interest in Sichuan Chenxing Real Estate Development Co., Limited* (四川辰興房地產發展有限公司) (“**Sichuan Chenxing**”) (the “**Acquisition**”) at the consideration of RMB45,000,000. Upon completion of the Acquisition, Sichuan Chenxing will become an indirect wholly-owned subsidiary of the Company.

On 8 January 2024, Sichuan Changxing and Sichuan Chenxing made capital injection of RMB136,000,000 and RMB154,000,000 into the registered capital of Mianyang Chenxing Yazhi Real Estate Development Co., Limited* (綿陽辰興雅致房地產發展有限公司) (“**Mianyang Chenxing**”), respectively (the “**Capital Injection**”). Pursuant to the equity transfer agreement and capital injection agreement, part of the capital injection made by Sichuan Changxing shall be set off by the consideration for the Acquisition of RMB45,000,000. Upon completion of the Capital Injection, Sichuan Changxing and Sichuan

* *English name for identification purpose only*

Chenxing will hold 40% and 60% equity interest in Mianyang Chenxing, respectively, and Mianyang Chenxing will remain a subsidiary of the Company.

For details of the Acquisition and Capital Injection, please refer to the announcements of the Company dated 8 January 2024, 29 January 2024, 31 January 2024, 7 February 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

Save as disclosed in this announcement, the Group did not have any other material acquisition or disposal of subsidiaries or associates during the Reporting Period.

Material Investments Held

Save as disclosed in this announcement, the Group did not hold any material investments during the Reporting Period.

Significant Events after the Reporting Period

As of the date of this announcement, the Group did not have any significant events after the Reporting Period.

Future Plans for Material Investments or Capital Assets

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as it sees fit. It is expected that internal resources and bank borrowings will be sufficient to meet the required funding requirements. Save as disclosed in the prospectus and above, the Group did not have any future plans for material investments as at the date of this announcement.

Employees and Remuneration Policies

As at the end of the Reporting Period, the Group had 204 employees. During the Reporting Period, the Group incurred employee costs of approximately RMB10.1 million. Remuneration for the employees generally includes salary and performance-based quarterly bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans operated by the municipal and provincial governments, including housing provident funds, pension, medical, occupational injury and unemployment benefit plans.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICE

The Company is always committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company and protecting the interests of all shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the shareholders. The Board considers that sound corporate governance maximizes the shareholders' interest.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code of corporate governance. The Company has complied with the CG Code during the Reporting Period.

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practice and enhance its internal control in reliance on the assistance of its legal advisors as to PRC and Hong Kong laws.

The Board consists of four executive Directors and three independent non-executive Directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's businesses, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in areas of financial accounting, corporate governance, etc. and contribute to the Board with their professional opinions.

Mr. Bai Xuankui (“**Chairman Bai**”) is an executive Director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai, who has been serving as a Director and the chairman of the Board since its establishment, can facilitate the Company in formulating appropriate development strategies. Regarding business operations, the Company's senior management, which comprises experienced and high-caliber individuals from various sectors, will ensure decisions made by the Board are thoroughly implemented.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, each of them has confirmed that he has complied with the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares).

As at the end of the Reporting Period, the Company did not hold any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this announcement, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the interim results for the six months ended 30 June 2024. The Audit Committee considered that the interim results are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE INTERIM RESULTS AND THE INTERIM REPORT

In accordance with the requirements under the Listing Rules, this result announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chen-xing.cn), respectively.

In accordance with the requirements under the Listing Rules, the interim report for the six months ended 30 June 2024 containing information about the Company will be published on the websites of the Stock Exchange and the Company, respectively, in due course.

By order of the Board
Chen Xing Development Holdings Limited
Bai Xuankui
Chairman

Shanxi, the PRC
28 August 2024

As at the date of this announcement, the executive Directors are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive Directors are Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.