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## **Ronshine China Holdings Limited**

**融信中國控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3301)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **FINANCIAL HIGHLIGHTS**

- Contracted sales amounted to approximately RMB3,361.84 million, decreased by approximately 65.66% as compared with the six months ended 30 June 2023.
- Total revenue amounted to approximately RMB14,202.47 million, increased by approximately 6.55% as compared with the six months ended 30 June 2023.
- Gross profit amounted to approximately RMB2,912.26 million, representing a turnaround as compared with the gross loss of approximately RMB74.42 million for the six months ended 30 June 2023.
- Profit for the Period amounted to approximately RMB79.98 million, as compared with a loss for the period of approximately RMB2,446.81 million for the six months ended 30 June 2023.
- Loss for the Period attributable to owners of the Company amounted to approximately RMB1,930.74 million, as compared with a loss for the period attributable to owners of the Company of approximately RMB1,992.41 million for the six months ended 30 June 2023.
- Gearing ratio increased by approximately 4.03% from 1.52 as at 31 December 2023 to 1.58 as at 30 June 2024.

#### **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Ronshine China Holdings Limited (the “**Company**”) hereby announces the unaudited interim consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”).

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	6	14,202,468	13,329,117
Cost of sales		(11,290,211)	(13,403,534)
<b>Gross profit/(loss)</b>		<b>2,912,257</b>	(74,417)
Selling and marketing costs		(116,902)	(352,607)
Administrative expenses		(360,403)	(360,493)
Fair value (losses)/gains on investment properties		(38,311)	60,533
Other income		7,814	144,243
Other gains/(losses) – net		(44,354)	(106,087)
<b>Operating profit/(loss)</b>		<b>2,360,101</b>	(688,828)
Finance income		24,954	50,514
Finance costs		(1,510,470)	(1,433,858)
Finance costs – net	7	(1,485,516)	(1,383,344)
Share of net profit of investments accounted for using the equity method		90,986	18,254
<b>Profit/(loss) before income tax</b>		<b>965,571</b>	(2,053,918)
Income tax expenses	8	(885,594)	(412,889)
<b>Profit/(loss) for the period</b>		<b>79,977</b>	(2,466,807)
<b>Profit/(loss) for the period attributable to:</b>			
– Owners of the Company		(1,930,740)	(1,992,410)
– Non-controlling interests		2,010,717	(474,397)
		<b>79,977</b>	(2,466,807)
<b>Loss per share for loss attributable to owners of the Company (expressed in RMB per share)</b>			
– Basic	9	(1.15)	(1.18)
– Diluted	9	(1.15)	(1.18)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b> <b>(Unaudited)</b>	<b><i>RMB'000</i></b> <b>(Unaudited)</b>
<b>Gains/(losses) for the period</b>	<b>79,977</b>	<b>(2,466,807)</b>
Other comprehensive income	<u>–</u>	<u>–</u>
<b>Total comprehensive gains/(losses) for the period</b>	<b><u>79,977</u></b>	<b><u>(2,466,807)</u></b>
<b>Total comprehensive gains/(losses) for the period attributable to:</b>		
– Owners of the Company	<b>(1,930,740)</b>	<b>(1,992,410)</b>
– Non-controlling interests	<b><u>2,010,717</u></b>	<b><u>(474,397)</u></b>
	<b><u>79,977</u></b>	<b><u>(2,466,807)</u></b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2024	31 December 2023
<i>Note</i>	<b>RMB'000</b> <b>(Unaudited)</b>	<b>RMB'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,026,667	1,068,809
Investment properties	12,405,134	12,298,500
Right-of-use assets	374,330	386,083
Intangible assets	1,606	1,521
Investments accounted for using the equity method	7,439,972	7,246,602
Financial assets at fair value through profit or loss	385,020	421,241
Deferred tax assets	698,913	699,050
	<u>22,331,642</u>	<u>22,121,806</u>
<b>Total non-current assets</b>		
<b>Current assets</b>		
Properties under development	42,361,094	48,795,300
Completed properties held for sale	27,273,751	31,372,319
Contract assets	1,187,321	1,184,926
Trade and other receivables and prepayments	27,402,861	27,521,862
Amounts due from related parties	3,668,955	5,031,805
Prepaid taxation	4,361,383	4,780,513
Financial assets at fair value through profit or loss	20,010	285,414
Term deposits	40,000	152,700
Restricted cash	2,114,719	2,672,612
Cash and cash equivalents	2,588,450	3,392,420
	<u>111,018,544</u>	<u>125,189,871</u>
<b>Total current assets</b>		
	<u>133,350,186</u>	<u>147,311,677</u>
<b>Total assets</b>		
<b>EQUITY</b>		
Share capital	15	15
Share premium	3,082,681	3,082,681
Other reserves	(4,764,902)	(2,834,162)
	<u>(1,682,206)</u>	<u>248,534</u>
<b>(Deficit)/equity attributable to owners of the Company</b>		
Non-controlling interests	23,552,646	22,539,493
	<u>21,870,440</u>	<u>22,788,027</u>
<b>Total equity</b>		

## CONDENSED CONSOLIDATED BALANCE SHEET

	<b>30 June</b>	31 December
	<b>2024</b>	2023
<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	<b>8,548,944</b>	12,376,157
Lease liabilities	<b>3,028</b>	4,233
Deferred tax liabilities	<b>1,282,519</b>	1,292,097
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<b>Total non-current liabilities</b>	<b>9,834,491</b>	13,672,487
	<hr/>	<hr/>
<b>Current liabilities</b>		
Borrowings	<b>30,751,706</b>	28,452,800
Lease liabilities	<b>4,918</b>	10,283
Contract liabilities	<b>36,957,361</b>	48,589,873
Trade and other payables	<b>21,965,731</b>	21,109,920
Amounts due to related parties	<b>4,487,573</b>	5,626,049
Current tax liabilities	<b>7,477,966</b>	7,062,238
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<b>Total current liabilities</b>	<b>101,645,255</b>	110,851,163
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>111,479,746</b>	124,523,650
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>133,350,186</b>	147,311,677
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Ronshine China Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 September 2014 as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal activity is investment holding. The Company and its subsidiaries (together the “**Group**”) are principally engaged in property development business in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is TMF (Cayman) Limited as trustee of the Ou Family Trust and the ultimate controlling shareholder of the Company is Mr. Ou Zonghong (“**Mr. Ou**”).

The Company’s shares were listed on the Main Board of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2016.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

## 2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### Going concern basis

As of 30 June 2024, the Group recorded net current assets of RMB9,373 million, and the Group’s current portion of borrowings amounted to RMB30,752 million, while its cash and bank balances (excluding restricted cash and term deposits) amounted to RMB2,588 million.

Since the second half of 2021, the business environment of China’s real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry’s business environment. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from its properties and/or to obtain cash from external financing to meet its loan repayment obligations. Although the Company has endeavoured to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group’s operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

As of 30 June 2024, the Company has not paid the principal amounts and/or interests of the senior notes due 25 October 2022 (ISIN: XS1976760782 and Common Code: 197676078), the senior notes due 22 January 2023 (ISIN:XS2031469732 and Common Code: 203146973), the senior notes due 9 June 2023 (ISIN: XS2090949160 and Common Code: 209094916), the senior notes due 25 December 2023 (ISIN: XS2189303873 and Common Code: 218930387), the senior notes due 5 August 2024 (ISIN: XS2211514885 and Common Code: 221151488) and the notes due 25 January 2025 (ISIN: XS2290308845 and Common Code: 229030884). The total outstanding principal amount of these senior notes is approximately RMB15,744,264,000.

If such non-payment continues, holders of at least 25% of the aggregate principal amount of the relevant outstanding senior notes at that time may, by written notice to the Company or the trustee, require the Company to pay the principal and accrued interest of the relevant outstanding senior notes immediately. As of the date of approval of these condensed consolidated financial statements, the Company has not received any notice regarding accelerated repayment from the relevant trustee or holders of the relevant senior notes.

In addition, as at 30 June 2024, the Group did not repay certain borrowings of RMB18,450,329,000 according to their scheduled repayment dates. As a result, as at 30 June 2024, borrowings with the aggregate principal amount of RMB22,053,894,000 had become default.

If the Company fails to perform the obligations of repaying the debts due and cannot agree on a consensual solution to the corresponding indebtedness with creditors in a timely manner, it may cause the relevant creditors to demand accelerated repayment of the obligations of the relevant debts or take enforcement actions.

The above events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

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

- (i) the Group is actively negotiating with several existing financial institutions on the renewal of certain borrowings. Subsequent to 30 June 2024, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing;
- (ii) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;
- (iii) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures; and
- (iv) the Group has engaged Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work, and intends to explore various feasible solutions with overseas creditors so as to seek a holistic solution to the relevant debts.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than twelve months from 30 June 2024. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2024. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing these condensed consolidated financial statements.

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

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

### 3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, derivative financial instruments and investment properties, which are measured at fair value.

The accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

#### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs for the first time for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

### 4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Group's condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

### 5 SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the executive Directors, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive Directors regard that there is only one segment which is used to make strategic decisions. Revenue and profit after income tax are the measures reported to the executive Directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the six months ended 30 June 2024 (six months ended 30 June 2023: same).

As at 30 June 2024, except for parts of term deposits and financial assets at fair value through profit or loss, other assets of the Group were located in the PRC (31 December 2023: same).

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: same).



## 6 REVENUE

Revenue of the Group for the six months ended 30 June 2024 is as follow:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Revenue from sales of properties		
– Recognised at a point in time	13,961,843	13,038,417
Revenue from construction services, hotel operations and others:		
– Recognised at a point in time	142,730	104,456
– Recognised over time	–	105,683
Revenue from other sources – rental income	97,895	80,561
	<u>14,202,468</u>	<u>13,329,117</u>

## 7 FINANCE (COSTS)/INCOME – NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
– Interest income from bank deposits	24,954	50,514
	<u>24,954</u>	<u>50,514</u>
Finance costs		
– Net foreign exchange losses	(185,179)	(755,100)
– Interest expenses of borrowings	(1,588,371)	(1,587,571)
– Less: capitalised interest	263,080	908,813
	<u>(1,510,470)</u>	<u>(1,433,858)</u>
Finance costs – net	<u>(1,485,516)</u>	<u>(1,383,344)</u>

## 8 INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax:		
PRC corporate income tax	577,433	315,671
Land appreciation tax (“LAT”)	317,602	83,980
	<u>895,035</u>	<u>399,651</u>
Deferred income tax		
PRC corporate income tax	(9,441)	13,238
	<u>885,594</u>	<u>412,889</u>

### PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2024 and 2023, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC (the “CIT Law”) effective on 1 January 2008.

### PRC LAT

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates.

### PRC dividend withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings from its PRC subsidiaries.

### Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% for the six months ended 30 June 2024 (six months ended 30 June 2023: 16.5%). Hong Kong profits tax has not been provided as the Group did not have any assessable profit for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands and is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands (the "BVI") was incorporated under the Business Companies Act of the BVI and is exempted from BVI income tax.

## 9 LOSS PER SHARE

### 9.1 Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(1,930,740)	(1,992,410)
Weighted average number of ordinary shares in issue ( <i>in thousand</i> )	<u>1,683,431</u>	<u>1,683,431</u>
Basic loss per share ( <i>RMB per share</i> )	<u>(1.15)</u>	<u>(1.18)</u>

### 9.2 Diluted loss per share

Diluted loss per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share option. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company for the period) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(1,930,740)	(1,992,410)
Weighted average number of ordinary shares in issue ( <i>in thousand</i> )	<u>1,683,431</u>	<u>1,683,431</u>
Adjustments – share options and awarded shares ( <i>in thousand</i> )	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for diluted earnings per share ( <i>in thousand</i> )	<u>1,683,431</u>	<u>1,683,431</u>
Diluted loss per share ( <i>RMB per share</i> )	<u>(1.15)</u>	<u>(1.18)</u>

For the six months ended 30 June 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's share options because their assumed exercise would result in a decrease in loss per share.

The Company did not repurchase and cancel its own ordinary shares during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
<b>Trade receivables (note (a))</b>	<b>72,705</b>	70,338
<b>Other receivables</b>		
– Amounts due from minority interests	<b>14,520,406</b>	14,457,242
– Deposits for acquisition of land use rights and property development projects	<b>7,792,399</b>	8,053,768
– Other amounts due from third parties	<b>1,651,103</b>	1,761,061
– Deposits for construction contracts	<b>207,260</b>	186,169
– Others	<b>139,500</b>	75,331
Less: loss allowance	<b>(3,458,292)</b>	(3,342,643)
	<b>20,852,376</b>	21,190,928
<b>Prepayments</b>		
– Prepaid value added tax and other taxes	<b>6,028,949</b>	5,964,736
– Others	<b>448,831</b>	295,860
	<b>6,477,780</b>	6,260,596
<b>Total</b>	<b>27,402,861</b>	27,521,862

- (a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sale of properties is settled in accordance with the terms stipulated in the sale and purchase agreements.

Aging analysis of the trade receivables is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>25,819</b>	31,448
Over one year	<b>46,886</b>	38,890
Total	<b>72,705</b>	70,338

These trade receivables relate to a number of independent customers for whom there is no significant financial difficulty. Management does not expect any credit loss for these receivables.

## 11 TRADE AND OTHER PAYABLES

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
<b>Trade payables</b> ( <i>Note (a)</i> )	<b>6,563,922</b>	6,277,650
<b>Note payables</b>	<b>243,874</b>	271,153
<b>Other payables</b>		
– Amounts due to non-controlling interests	<b>2,566,058</b>	2,266,686
– Other taxes payable	<b>5,532,980</b>	6,324,816
– Interests payable	<b>5,636,365</b>	4,470,355
– Deposits received for sales of properties	<b>486,578</b>	527,424
– Dividend payable	<b>5,281</b>	5,243
– Deposits from contractors and suppliers	<b>723,513</b>	740,077
– Accrued payroll	<b>109,107</b>	116,136
– Estimated liabilities	<b>74,608</b>	74,608
– Others	<b>23,445</b>	35,772
	<b><u>21,965,731</u></b>	<b><u>21,109,920</u></b>

(a) The ageing analysis of the trade payables is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>2,803,466</b>	3,021,008
Over one year	<b>3,760,456</b>	3,256,642
	<b><u>6,563,922</u></b>	<b><u>6,277,650</u></b>

(b) Other payables of approximately RMB270,594,940 (31 December 2023: RMB219,800,000) are interest bearing and repayable within one year from 30 June 2024.

## 12 DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## OVERVIEW AND PROSPECTS

### Market Review

In the first half of 2024, the national economy continued to recover positively, growing steadily in general and maintaining stability while making progress, with the gross domestic product (“GDP”) in the first half of the year increased by 5.0% year-on-year. When observed in the context of global coordinates, China’s economy continued to perform well. Taking into account the domestic and overseas situation, China’s economy is expected to hold the lead in the first half of the year in terms of growth rate, remaining an important engine and a stable force of world economic growth.

During the Period, despite that the adjustment in the national first-hand property market has been under progress in general, and that the transactions in the second-hand housing market, driven by the “sacrificing price for volume” strategy, maintained at a certain scale, the real estate sector as a whole was still facing a greater downward pressure. Against this backdrop, the Political Bureau meeting on 30 April 2024 set the policy direction for the property market, proposing to “coordinate the study of policies and measures for digesting inventory housing and optimising incremental housing (統籌研究消化存量房產和優化增量住房的政策措施)”. The new “basket” of real estate policies proposed on 17 May 2024 focused on stabilising the market and reducing inventory. The executive meeting of the State Council on 7 June 2024 once again made it clear that “We shall emancipate our mind and broaden our thinking in digesting and revitalising inventory housing and land, endeavoring to have it implemented with comprehensive consideration and solid promotion (對於存量房產、土地的消化、盤活等工作既要解放思想、拓寬思路，又要穩妥把握、紮實推進)”. After the implementation of a number of policies, the transactions of second-hand housing in some core cities have taken the lead in witnessing improvement, but the first-hand housing market as a whole has not yet improved significantly, for which the policies still need time to produce impact. According to the National Bureau of Statistics, from January to June 2024, the sales area of the newly-constructed commercial properties amounted to 479.16 million sq.m., representing a year-on-year decrease of 19.0%, of which the sales area of the residential properties decreased by 21.9%. The sales of the newly-constructed commercial properties amounted to RMB4,713.3 billion, representing a decrease of 25.0%, of which the sales of the residential properties decreased by 26.9%. At the end of June, the area of the commercial properties held for sale amounted to 738.94 million sq.m., representing a year-on-year increase of 15.2%, of which the area of the residential properties held for sale increased by 23.5%.

### Business Review

The Group maintained its focus on the Yangtze River Delta and the West Coast of the Taiwan Strait so as to consolidate the advantages of its strategic regional layout, while striving to strengthen its operations and management to ensure successful project development and delivery in all aspects. During the Period, the Group’s contracted sales amounted to approximately RMB3.4 billion, representing a year-on-year decrease of approximately 65.66%, with contracted GFA of approximately 0.28 million sq.m. and average contracted selling price of approximately RMB11,860 per sq.m. During the Period, a number of the Group’s projects earned themselves a good reputation in the market for their outstanding products and services.

In respect of land reserves, the Group adhered to the development principle of steady development, mainly focusing on first- and second-tier cities. As at 30 June 2024, the Group had a total of 209 projects nationwide with a total land reserve of approximately 18.03 million sq.m.. Among them, the land reserves of the first- and second-tier cities accounted for approximately 85.65%. The Group will continue to deepen the cultivation of high-quality projects in the existing core cities and commit to improving operational efficiency, so as to enhance its brand influence continuously.

During the Period, the government successively introduced a number of supportive policies for the real estate industry, yet the implementation rules need to be further clarified and time is needed for implementation. Therefore, the current predicament of declining sales in the real estate market and funding pressures on real estate enterprises is yet to be fundamentally alleviated. In such a challenging situation, the Group continued to adhere to its prudent development strategy and properly managed its cash flow. As at 30 June 2024, the Group's interest-bearing liabilities amounted to RMB39.30 billion. The Group took proactive steps in debt management, focused on transparency management and actively maintained communication with the market through voluntary announcements, investor relations activities, etc. Up to now, the Group has completed its onshore corporate bond restructuring, and has appointed Haitong International Capital Limited as its financial advisor for overseas debt management to initiate relevant preliminary work. In addition, the Group adopted a number of measures to ensure stable operation and enhance liquidity, including but not limited to enhancing its sales and cash collection efforts, diversifying financing channels, reasonably reducing operating costs, negotiating for the extensions of some existing debts, and disposing of certain assets, etc.

In spite of facing all the challenges, the Group strove to maintain the quality of its products and services. Under the call of “Guaranteeing Delivery of Real Estate Development Projects and Ensuring People’s Livelihood”, the Group has always stayed true to its mission and endeavored to achieve its commitment of quality delivery to the homebuyers. During the Period, delivery of a number of projects, including Changle Lantian (長樂瀾天), Taiyuan City of Times (太原時光之城), Chengdu Century Manyun (成都世紀縵雲), Chongqing Lan Bay (重慶瀾灣) and Lianyungang Mansion (連雲港學院府) etc., were grandly completed. In addition, the Group is committed to all-around development in environmental, social and governance (ESG) areas, to actively fulfill its social responsibility.

## Prospects

Looking ahead to the second half of the year, the supportive role of government policies is becoming increasingly evident, and the decline in new home sales may gradually narrow. However, the pressure of market adjustments remains. From a policy perspective, the regulatory environment for China's real estate market will be further optimised in the second half of 2024, aimed at stabilising the market and reducing inventory. Local governments are expected to stimulate housing demand through measures such as lowering mortgage rates and reducing transaction taxes, while also advancing supportive policies for the construction of "quality homes" to release demand for better housing. In terms of market expectations, although forecasts for residents' income and anticipated declines in property prices have not shown significant improvement, the gradual implementation of policies and the diminishing effects of a high base are likely to result in a narrowing decline in new home sales in the second half of the year. Overall, while market pressures for adjustment will persist in the short term, the market is expected to stabilise gradually in the second half of the year with the ongoing implementation of policies. This is particularly true for first-tier and core second-tier cities such as Shanghai, Shenzhen and Hangzhou, where the effects of policy optimisation are becoming increasingly apparent, and market activity is expected to rise further.

Looking forward, the Group will continue to deepen its layout in the Yangtze River Delta, the West Coast of the Taiwan Strait and other regions, strengthen its advantages in in-depth layout, and actively respond to market opportunities and challenges with its persistence in enhancing the quality of products and services, and make every effort to ensure the delivery of various projects. The Group will aim for long-term and stable development, realise the vision of "Becoming a Leading, High-quality Property Developer and Service Provider Offering an Ideal Lifestyle", and create more value to thank all shareholders for their continuous supports and trusts in the Group.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Summary of operating results

	For the six months ended 30 June		Change in percentage
	2024	2023	
<b>Contracted sales</b>			
Contracted sales amount (RMB'000) <sup>(1)</sup>	3,361,837	9,788,845	-65.66%
Contracted gross floor area (sq.m.)	283,467	681,126	-58.38%
Average unit price of contracted sales (RMB/sq.m.)	11,860	14,372	-17.48%
<b>Property delivered</b>			
Revenue from delivery of properties (RMB'000)	13,961,843	13,038,417	7.08%
Delivered gross floor area (sq.m.)	545,571	763,879	-28.58%
Recognised average selling price of properties delivered (RMB/sq.m.)	25,591	17,068	49.94%
<b>Revenue (RMB'000)</b>	<b>14,202,468</b>	13,329,117	6.55%
<b>Cost of Sales (RMB'000)</b>	<b>(11,290,211)</b>	(13,403,534)	-15.77%
<b>Gross profit/(loss) (RMB'000)</b>	<b>2,912,257</b>	(74,417)	-4,013.43%
<b>Other income and other gains or losses (RMB'000)</b>	<b>(36,540)</b>	38,156	-195.76%
<b>Profit/(loss) before income tax (RMB'000)</b>	<b>965,571</b>	(2,053,918)	-147.01%
<b>Profit/(loss) for the period (RMB'000)</b>	<b>79,977</b>	(2,466,807)	-103.24%
– attributable to owners of the Company (RMB'000)	(1,930,740)	(1,992,410)	-3.10%
– attributable to non-controlling interests (RMB'000)	2,010,717	(474,397)	-523.85%
Gross profit/(loss) margin <sup>(2)</sup>	20.51%	(0.56%)	-3,772.78%
Net profit/(loss) margin <sup>(3)</sup>	0.56%	(18.51%)	-103.04%
Total assets (RMB'000)	133,350,186	176,287,543	-9.48%
Total liabilities (RMB'000)	111,479,746	148,750,363	-10.48%
Total equity (RMB'000)	21,870,440	27,537,180	-4.03%
Capital and reserve attributable to owners of the Company (RMB'000)	(1,682,206)	4,198,079	-776.85%
Current ratio <sup>(4)</sup>	1.09 times	1.13 times	-3.54%
Gearing ratio <sup>(5)</sup>	1.58	1.23	28.46%

#### Notes:

- (1) The amounts include the contracted sales from subsidiaries, associates and joint ventures of the Company.
- (2) The calculation of gross loss margin is based on gross loss divided by revenue and multiplied by 100% and the calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.
- (3) The calculation of net profit/(loss) margin is based on profit/(loss) divided by revenue and multiplied by 100%.
- (4) The calculation of current ratio is based on current assets divided by current liabilities.
- (5) The calculation of gearing ratio is based on total borrowings less cash and bank balances and divided by total equity.

## Property Development

### Contracted Sales

For the six months ended 30 June 2024, the Group and its joint ventures and associates achieved contracted sales of approximately RMB3,361.84 million, representing a decline of approximately 65.66% compared with approximately RMB9,788.85 million for the six months ended 30 June 2023. This decrease was mainly attributable to the decrease in the total GFA of the Group's contracted sales by approximately 58.38% from approximately 681,126 sq.m. for the six months ended 30 June 2023 to approximately 283,467 sq.m. for the six months ended 30 June 2024.

The following table sets forth details of the contracted sales of the Group (including its joint ventures and associates) for the six months ended 30 June 2024:

City	Amount RMB million	Percentage %	Total GFA sq.m.	Percentage %	Average selling price RMB/sq.m.
Suzhou	598.46	17.80	25,149.60	8.87	23,796.19
Fuzhou	365.79	10.88	34,991.45	12.34	10,453.71
Hangzhou	273.87	8.15	10,330.11	3.64	26,511.88
Chengdu	206.07	6.13	20,831.72	7.35	9,892.08
Nantong	204.21	6.07	12,245.57	4.32	16,676.32
Qingdao	191.82	5.71	12,294.70	4.34	15,601.52
Zhoushan	183.58	5.46	13,066.70	4.61	14,049.43
Shanghai	143.03	4.25	8,855.09	3.12	16,151.75
Fuyang	141.26	4.20	18,270.00	6.45	7,731.80
Others	1,053.75	31.34	127,432.07	44.95	8,269.11
<b>Total</b>	<b>3,361.84</b>	<b>100.00</b>	<b>283,467.00</b>	<b>100.00</b>	<b>11,859.71</b>

### Projects completed

For the six months ended 30 June 2024, the Group (including its joint ventures and associates) completed a total of 11 projects or phases of projects, with a total GFA of approximately 1.01 million sq.m. (approximately 0.57 million sq.m., after taking into account the interests of owners of the Company in the relevant projects).

### Projects under construction

As at 30 June 2024, the Group (including its joint ventures and associates) had a total of 44 projects or phases of projects under construction, with total planned GFA of approximately 5.34 million sq.m. (approximately 3.17 million sq.m., after taking into account the interests of owners of the Company in the relevant projects).

### Land reserve

As at 30 June 2024, the total GFA of the Group's land reserve (including its joint ventures and associates) was approximately 18.03 million sq.m., among which, approximately 7.94 million sq.m. were completed properties held for sale, approximately 8.97 million sq.m. were under construction and approximately 1.12 million sq.m. were held for future development.

As at 30 June 2024, the cost per sq.m. of the Group's land reserve (including its joint ventures and associates) was approximately RMB7,999.

The following table sets forth details of the land reserve attributable to the owners of the Company as at 30 June 2024:

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Zhengzhou	Zhengzhou Jiangwancheng-Supai (鄭州江灣城－蘇派)	225	95.11	470
Zhengzhou	Zhengzhou Jiangwancheng-Delan (鄭州江灣城－德藍)	230	90.74	520
Zhengzhou	Zhengzhou City of Times (鄭州時光之城)	835	77.60	3,167
Taiyuan	Taiyuan City of Times (太原時光之城)	483	60.32	1,355
Zhengzhou	Zhengzhou Olympic Century (鄭州奧體世紀)	214	57.90	2,264
Fuzhou	Fuzhou Gushan Bridge Project (福州鼓山大橋項目)	4,132	34.24	13,521
Zhengzhou	Zhengzhou Jiangwancheng-Zhongqiao (鄭州江灣城－中喬)	147	27.72	722
Hangzhou	Hangzhou Xianghu Yuezhang (杭州湘湖悅章)	3,245	25.07	17,134
Fuzhou	Fuzhou Ronghui Hot Spring City (福州融匯溫泉城)	471	20.93	1,610
Shanghai	Shanghai Parallel Impression (上海海納印象)	4,871	16.40	38,763
Hangzhou	Hangzhou Science City 11 Lot (杭州科技城11號地塊)	2,481	15.60	19,474
Zhengzhou	Zhengzhou Cheng Shi Zhi Chuang (鄭州城市之窗)	140	15.19	912
Xuzhou	Xuzhou Xinyi Project (徐州新沂項目)	372	12.44	3,360
Tianjin	Tianjin West Coast (天津西海岸)	1,049	12.21	8,238
Hangzhou	Hangzhou Chaoyang Industrial Park Project (杭州朝陽工業園項目)	1,690	12.20	17,388
Wenzhou	East Wenzhou Pingyang New District B009, 11 Lot (溫州平陽城東新區 B009、11地塊)	714	12.09	7,607
Huzhou	Anji Yuejiang (安吉悅江府)	236	10.73	2,986
Fuzhou	Fuzhou Heshang Project (福州鶴上項目)	486	10.58	5,121
Mianyang	Wanwei Mianyang Economic Development Zone 105 mu (萬為綿陽經開區105畝)	256	10.45	2,932
Huzhou	Huzhou Xifengyang 2# Lot (湖州市西鳳漾2#地塊)	612	10.02	6,475
Lianyungang	Lianyungang Urban Park West District (連雲港海納春江西區)	597	9.27	6,518
Qingdao	The Ocean Coastal (青島海月星灣)	252	9.09	3,504
Jiangmen	Jiangmen Mansion (江門學院府)	332	9.07	4,800

<b>Region</b>	<b>Project Name</b>	<b>Total land value RMB million</b>	<b>Total GFA of reserve 10,000 sq.m.</b>	<b>Average cost per sq.m. RMB/sq.m.</b>
Putian	Putian Junlong Yuhu Project (莆田駿隆玉湖項目)	148	8.72	3,903
Chongqing	Chongqing Lan Bay (重慶瀾灣)	364	8.20	6,189
Hangzhou	Hangzhou Century (杭州世紀)	1,859	8.14	30,816
Nantong	Nantong Chongchuan Times Yuechengnan Lot (南通崇川時代悅城南地塊)	937	8.14	14,197
Chengdu	Chengdu Qingbaijiang Project (成都青白江項目)	116	8.01	2,048
Lianyungang	Lianyungang Urban Park East District (連雲港海納春江東區)	623	7.37	8,856
Hangzhou	Hangzhou Canal New City Project (杭州運河新城項目)	1,768	7.23	23,558
Fuzhou	Pingtang Lan Chen (平潭瀾宸)	373	7.12	5,549
Lanzhou	Lanzhou Lelan • Shiguangyin (蘭州樂瀾 • 時光印)	62	6.87	709
Nantong	Nantong Chongchuan Yuanlin Road Plot (南通崇川園林路地塊)	667	6.67	13,340
Suzhou	Suzhou Wuzhong Mudu Project (蘇州吳中區木瀆鎮項目)	941	6.38	16,811
Hangzhou	Baolong Lin'an Project (寶龍臨安項目)	280	6.17	6,128
Suzhou	Suzhou Huangqiao Project (蘇州黃橋項目)	784	5.83	14,784
Fuzhou	Fuzhou Difeng River Project (福州帝封江項目)	368	5.82	7,932
Fuzhou	Changle Lanshan (長樂瀾山)	266	5.75	5,005
Suzhou	Changshu Project (常熟項目)	275	5.74	6,662
Lanzhou	Lanzhou Park Academy (蘭州公園學府)	50	5.66	897
Zhoushan	Zhoushan Chuang Shi Ji (舟山創世紀)	306	5.61	4,324
Weinan	Weinan Wenquetai (渭南文闕台)	78	5.44	2,393
Chengdu	Chengdu Qingyang 23 mu (成都青羊23畝)	385	5.42	10,498
Nanjing	Nanjing Bo'an Center (南京鉞岸中心)	150	5.30	2,515
Baoding	Baoding Jinyue City (保定金悅城)	131	5.09	3,979
Fuyang	Fuyang Yingzhou Project (阜陽潁州項目)	132	4.89	2,961
Hangzhou	Mei Hao Bao Long Lan Sky (美好寶龍瀾天)	255	4.88	5,546
Xi'an	Xi'an Sandi 86 mu Project (西安三迪86畝項目)	301	4.73	7,653
Xi'an	Xi'an Sandi 115 mu Project (西安三迪115畝項目)	378	4.65	7,397
Hangzhou	Hangzhou Aoshi Mansion (杭州傲世邸)	1,482	4.36	27,253
Fuzhou	Fuzhou CBD 49 Lot (福州CBD49地塊)	482	4.12	14,497
Hangzhou	Hangzhou Sandun North Project (杭州三墩北項目)	665	3.96	16,088
Chongqing	Chongqing Haiyue Pinghu (重慶海月平湖)	259	3.84	11,149
Ningbo	Ningbo Country Garden Siji Longyue (寧波碧桂園四季隴玥華府)	186	3.83	5,599

<b>Region</b>	<b>Project Name</b>	<b>Total land value RMB million</b>	<b>Total GFA of reserve 10,000 sq.m.</b>	<b>Average cost per sq.m. RMB/sq.m.</b>
Tianjin	Tianjin Jinnan (天津津南府)	472	3.73	12,959
Qingdao	Qingdao Science and Technology Innovation Center Project (青島科創中心項目)	110	3.68	3,578
Suzhou	Kunshan Yulan Residence (昆山玉蘭公館)	365	3.60	13,576
Hangzhou	Hangzhou Vanke Zhong Cheng Hui (杭州萬科中城匯)	642	3.56	24,704
Hangzhou	Hangzhou Gu Cui Yin Xiu (杭州古翠隱秀)	1,056	3.50	40,542
Jinhua	Tianyang River Mansion (天陽雲棲江境)	275	3.45	10,562
Zhangzhou	Changtai Luxi County (長泰鷺西郡)	35	3.45	1,127
Suzhou	Kunshan Bacheng Lot (昆山巴城地塊)	168	3.34	5,582
Wenzhou	Wenzhou Ou Hai Xi Yue Li (溫州甌海熙悅里)	300	3.34	13,004
Shanghai	Shanghai Baoshan Luodian Project (上海寶山羅店項目)	551	3.33	22,340
Putian	Xianyou Construction and Development Cooperation Project (仙游建發合作項目)	42	3.33	2,784
Shanghai	Shanghai Zhongxing Road (上海中興路)	2,863	3.28	100,091
Suzhou	Suzhou Science City Project (蘇州科技城項目)	416	3.03	15,647
Jiangmen	Jiangmen Guoyue House (江門國樾府)	146	2.98	5,847
Qingdao	Qingdao Manshan Lanting (青島縵山蘭亭)	75	2.98	2,386
Fuzhou	Fuzhou Vanke Zhen Lu Yuan (福州萬科臻麓園)	198	2.95	7,340
Fuyang	Xingfu Li • East County (幸福里 • 東郡)	51	2.93	2,235
Nanjing	Nanjing Vanke Du Hui Tian Di (南京萬科都薈天地)	351	2.92	12,130
Nanjing	Nanjing Zhong Jun Yong Jing Tai (南京中駿雍景台)	309	2.90	12,842
Tianjin	Tianjin Lanyue 4 (天津瀾悅4號)	300	2.89	11,742
Putian	Putian Ronshine Yuezhu (莆田融信悅著)	97	2.70	4,796
Quzhou	Quzhou Tianyang Yunqi Longting (衢州天陽雲棲瓏庭)	149	2.61	8,281
Zhenjiang	Jurong Tianyuefu (句容天悅府)	94	2.58	4,837
Jiaying	Haining Lanting (海寧瀾庭)	137	2.55	7,200
Hangzhou	Hangzhou Bao Li He Guang Chen Yue (杭州保利和光塵樾)	273	2.48	16,005
Hangzhou	Hangzhou Qinlan (杭州沁瀾)	340	2.42	21,211
Fuzhou	Fuzhou Yongtai Project (福州永泰項目)	55	2.32	2,811
Hangzhou	Hangzhou Pengbu Commercial Lot (杭州彭埠商業地塊)	160	2.26	12,278
Fuzhou	Fuzhou China Trend Chaoyue (福州海納新潮潮悅)	136	2.25	7,087

<b>Region</b>	<b>Project Name</b>	<b>Total land value RMB million</b>	<b>Total GFA of reserve 10,000 sq.m.</b>	<b>Average cost per sq.m. RMB/sq.m.</b>
Hangzhou	Yunhe Commercial 44 Lot (運河商業44號地塊)	224	2.24	12,859
Shaoxing	South Shaoxing Dongguang Lot (紹興城南東光地塊)	467	2.21	12,263
Nantong	Nantong Lan Chen (南通瀾宸)	134	2.08	8,537
Lishui	Lishui Tianyang Country Garden City Innovation (麗水天陽碧桂園都會之光)	202	1.99	13,169
Xi'an	Chang'an XiYue (長安熙悅)	8	1.97	446
Haining	Haining Lanting Qihang (海寧瀾庭啟杭)	62	1.90	3,939
Hangzhou	Yue Zhen Mansion (樾臻府)	62	1.78	4,375
Hangzhou	Hangzhou Liwang NEO1 (杭州厘望NEO1)	408	1.69	31,551
Huzhou	Huzhou Country Garden Huyue Mansion (湖州碧桂園湖悅天境)	89	1.67	6,095
Chengdu	Chengdu Jinniu 16 mu (成都金牛16畝)	183	1.65	14,200
Chengdu	Chengdu Ruilian (成都瑞聯)	185	1.55	14,300
Shanghai	Shanghai Yangpu Pingliang Lot (上海楊浦平涼地塊)	413	1.46	25,397
Guangzhou	Guangzhou Tianyue (廣州天樾府)	353	1.43	14,999
Hangzhou	Hangzhou Zhanwang (杭州展望)	272	1.38	25,116
Hangzhou	Yunhe Commercial 43 Lot (運河商業43號地塊)	154	1.37	14,075
Chongqing	Chongqing Hai Yue Yu Zhou (重慶海月渝州)	82	1.20	9,600
Hangzhou	Hangzhou Lan Sky (Konggang) (杭州瀾天(空港))	94	1.17	5,101
Shanghai	Shanghai Jing'an Zhongxing Community (上海靜安中興社區)	567	1.16	72,000
Fuyang	Linquan Junyue Mansion (臨泉君樾府)	23	1.08	2,592
Fuzhou	Fuzhou Nice Villa (福州有墅)	7	1.02	486
Wenzhou	Wenzhou Rongwang (溫州榮望)	56	1.00	7,203
Chengdu	Chengdu Lan Sky (成都瀾天)	31	0.96	4,200
Jinhua	Jinhua Yuejiang (金華悅江府)	60	0.93	8,467
Chengdu	Chengdu Traffic Lane 9.5 mu (成都交通巷9.5畝)	146	0.93	18,699
Quzhou	Quzhou Zhongliang Shiguangli (衢州中梁拾光里)	36	0.92	5,383
Nanjing	Nanjing Qinglan (南京青瀾)	133	0.85	17,439
Nanjing	Nanjing Xu Hui Shi Dai Tian Yue (南京旭輝時代天樾)	170	0.83	9,464
Fuzhou	Fuzhou Park Left Bank Project (福州公園左岸)	143	0.79	21,731
Hangzhou	Hangzhou Xingyao Beixi Project (杭州興耀市北西項目)	148	0.79	25,962

Region	Project Name	Total land value RMB million	Total GFA of reserve 10,000 sq.m.	Average cost per sq.m. RMB/sq.m.
Shanghai	Shanghai Four Seasons (上海海月四季)	122	0.74	22,578
Shanghai	Shanghai Platinum (上海鉑爵)	80	0.72	15,409
Tongling	Tongling Lanshan Fu (銅陵瀾山府)	4	0.68	714
Hangzhou	Hangzhou Sibao Qibao 16 Lot (杭州四堡七堡16地塊)	242	0.67	44,364
Suzhou	Suzhou Wuzhong Linhu County Lot (蘇州吳中臨湖鎮地塊)	37	0.58	6,843
Xi'an	Hailiang • Yuchen (海亮 • 禦宸)	22	0.54	4,821
Suzhou	Suzhou Haiyue Pingjiang (蘇州海月平江)	93	0.50	19,235
Chongqing	Tan Zi Kou (灘子口)	29	0.43	9,255
Fuzhou	Fuzhou Country Garden Yuelinglong (福州碧桂園悅玲瓏)	22	0.23	7,687
<b>Total</b>		<b>54,871</b>	<b>971</b>	<b>7,999</b>

Note:

- (1) This represents the original land costs of these projects only, and did not reflect the fair value decrease that had been recognised upon acquisitions or consolidations by the Group during the six months ended 30 June 2024.

## Financial review

### Revenue

The Group derives its revenue from sales of properties in the PRC, and rental income and others. No revenue was derived from provision of construction services during the Period. The following table sets forth the details of the Group's revenue recognised from such sources for the six months ended 30 June 2024 and 2023, respectively:

	For the six months ended 30 June		Change in percentage
	2024	2023	
	RMB'000	RMB'000	
<b>Revenue</b>			
Sales of properties	13,961,843	13,038,417	7.08%
Construction services	–	105,683	-100.00%
Rental income and others	240,625	185,017	30.06%
<b>Total</b>	<b>14,202,468</b>	<b>13,329,117</b>	<b>6.55%</b>

The revenue of the Group increased by approximately 6.55% from approximately RMB13,329.12 million for the six months ended 30 June 2023 to approximately RMB14,202.47 million for the six months ended 30 June 2024. This increase was mainly attributable to the combined effects of:

- (i) the increase in revenue from delivery of properties by the Group by approximately 7.08% from RMB13,038 million for the six months ended 30 June 2023 to RMB13,962 million for the six months ended 30 June 2024;
- (ii) the increase in rental income by approximately 21.52% from approximately RMB80.56 million for the six months ended 30 June 2023 to approximately RMB97.90 million for the six months ended 30 June 2024. The others comprise mainly of revenue in consulting services, sales commissions and hotel operations. During the six months ended 30 June 2024, revenue from consulting services amounted to approximately RMB48.42 million, the sales commission was approximately RMB2.55 million, and revenue from hotel operations of the Group was approximately RMB77.90 million.

Revenue generated from the sales of properties amounted to approximately RMB13,962 million for the six months ended 30 June 2024. The following table sets forth the details of the revenue generated from the sales of properties of the Group by geographical location for the six months ended 30 June 2024 and 2023, respectively:

	<b>For the six months ended 30 June</b>					
	<b>2024</b>			<b>2023</b>		
<b>Revenue</b>	<b>GFA</b>	<b>Average</b>	<b>Revenue</b>	<b>GFA</b>	<b>Average</b>	
<b>RMB</b>	<b>delivered</b>	<b>selling</b>	<b>RMB</b>	<b>delivered</b>	<b>selling</b>	
<b>million</b>	<b>by the</b>	<b>price</b>	<b>million</b>	<b>by the</b>	<b>price</b>	
<i>million</i>	<i>Group</i>	<i>RMB/</i>	<i>million</i>	<i>Group</i>	<i>RMB/</i>	
	<i>sq.m.</i>	<i>sq.m.</i>		<i>sq.m.</i>	<i>sq.m.</i>	
Hangzhou	8,337	80,243	103,899	–	–	–
Wenzhou	2,010	132,499	15,168	3,156	150,973	20,902
Suzhou	871	63,643	13,688	649	51,187	12,683
Chongqing	692	124,410	5,559	–	–	–
Fuyang	666	50,408	13,212	–	–	–
Others	1,386	94,368	14,689	9,233	561,719	16,438
<b>Total</b>	<b>13,962</b>	<b>545,571</b>	<b>25,591</b>	<b>13,038</b>	<b>763,879</b>	<b>17,069</b>



### *Cost of sales*

The Group's cost of sales decreased by approximately 15.77% from approximately RMB13,403.53 million for the six months ended 30 June 2023 to approximately RMB11,290.21 million for the six months ended 30 June 2024. This decrease is mainly attributable to the decrease in GFA of the properties delivered by the Group.

### *Gross loss/profit and gross loss/profit margin*

Gross loss/profit represents revenue less cost of sales. As a result of the foregoing, there was an increase in gross profit from a gross loss of approximately RMB74.42 million for the six months ended 30 June 2023 to a gross profit of approximately RMB2,912.26 million for the six months ended 30 June 2024.

The Group recorded a gross loss margin of approximately 0.56% for the six months ended 30 June 2023 and a gross profit margin of approximately 20.51% for the six months ended 30 June 2024, primarily due to the increase in average gross profit margin of projects delivered by the Group.

### *Other income*

The Group's other income primarily includes (i) interest income from loans to non-controlling interests and related parties; and (ii) deposits forfeited from some of the Group's prospective customers who breached the property purchase agreements. The Group's other income decreased by approximately 94.59% from approximately RMB144.24 million for the six months ended 30 June 2023 to approximately RMB7.81 million for the six months ended 30 June 2024.

### *Other gains or losses – net*

The Group's other gains or losses primarily include (i) gains or losses from financial assets at fair value through profit or loss; and (ii) gains or losses from disposal of subsidiaries. The Group incurred other net losses of approximately RMB44.35 million for the six months ended 30 June 2024 as compared to other net losses of approximately RMB106.09 million for the six months ended 30 June 2023. Such change was primarily attributable to the gains from debt restructuring by the Group for the current period.

### *Selling and marketing costs*

The Group's selling and marketing costs include (i) staff costs for sales personnel; (ii) marketing, advertising and commission costs; (iii) property management fees; and (iv) other costs including rental expenses and other miscellaneous fees and expenses.

The Group's selling and marketing costs decreased by approximately 66.85% from approximately RMB352.61 million for the six months ended 30 June 2023 to approximately RMB116.90 million for the six months ended 30 June 2024, primarily due to the decreased sales commissions.

### *Administrative expenses*

The Group's administrative expenses include (i) staff costs for administrative personnel; (ii) other taxes; (iii) office and travel expenses; (iv) entertainment expenses; (v) consultation fees; (vi) office lease expenses; and (vii) others.

The Group's administrative expenses decreased slightly by approximately 0.02% from approximately RMB360.49 million for the six months ended 30 June 2023 to approximately RMB360.40 million for the six months ended 30 June 2024, primarily due to the decrease in staff costs and property management service expenses.

### *Fair value (losses)/gains on investment properties*

The Group recorded fair value gains of approximately RMB60.53 million for the six months ended 30 June 2023 and fair value losses of approximately RMB38.31 million for the six months ended 30 June 2024, primarily due to the decrease in valuation attributable to the gradual increase in cost inputs as a result of the normal construction of projects under construction during the Period.

### *Finance income/cost – net*

Finance income primarily consists of foreign exchange gain and interest income from bank deposits. Finance cost primarily consists of interest expenses of borrowings and net foreign exchange losses. The Group recorded a net finance cost of approximately RMB1,383.34 million for the six months ended 30 June 2023 and a net finance cost of approximately RMB1,485.52 million for the six months ended 30 June 2024. This fluctuation was primarily due to exchange losses arising from the appreciation of the US\$ against the RMB.

### *Share of net profit of investments accounted for using the equity method*

The Group's share of net profit of investments accounted for using the equity method increased by approximately 398.44% from approximately RMB18.25 million for the six months ended 30 June 2023 to approximately RMB90.99 million for the six months ended 30 June 2024, primarily due to the increase in properties delivered by joint ventures.

### *Profit/(loss) before income tax*

As a result of the aforementioned changes in the Group's financials, the Group recorded a profit before income tax of approximately RMB965.57 million for the six months ended 30 June 2024 as compared to a loss before income tax of approximately RMB2,053.92 million for the six months ended 30 June 2023.

### *Income tax expenses*

The Group's income tax expenses comprise provisions made for corporate income tax (including deferred income tax) (“CIT”) and land appreciation tax (“LAT”) in the PRC.

The Group's income tax expenses increased by approximately 114.49% from approximately RMB412.89 million for the six months ended 30 June 2023 to approximately RMB885.59 million for the six months ended 30 June 2024. Specifically, CIT (including deferred income tax) increased by approximately 72.69% from approximately RMB328.91 million for the six months ended 30 June 2023 to approximately RMB567.99 million for the six months ended 30 June 2024, and LAT increased by approximately 278.19% from approximately RMB83.98 million for the six months ended 30 June 2023 to approximately RMB317.60 million for the six months ended 30 June 2024.

#### *Loss for the Period attributable to owners of the Company*

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss for the period attributable to owners of the Company of approximately RMB1,930.74 million for the six months ended 30 June 2024 as compared to a loss for the period attributable to owners of the Company of approximately RMB1,992.41 million for the six months ended 30 June 2023.

#### *Profit/(loss) for the Period attributable to non-controlling interests*

The Group recorded a profit for the period attributable to non-controlling interests of approximately RMB2,010.72 million for the six months ended 30 June 2024 as compared to a loss for the period attributable to non-controlling interests of approximately RMB474.40 million for the six months ended 30 June 2023, primarily due to the increase in gain from disposal of properties recognized under each project (jointly developed with the non-controlling interests) for the six months ended 30 June 2024.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2024, the Group's net current assets amounted to approximately RMB9,373 million (31 December 2023: approximately RMB14,338.71 million). Specifically, the Group's total current assets decreased by approximately 11.32% from approximately RMB125,189.87 million as at 31 December 2023 to approximately RMB111,018.54 million as at 30 June 2024. The Group's total current liabilities decreased by approximately 8.30% from approximately RMB110,851.16 million as at 31 December 2023 to approximately RMB101,645.26 million as at 30 June 2024. The decrease in the Group's total current assets was primarily attributable to the decrease in properties under development by 13.16% from RMB48,795.30 million as at 31 December 2023 to RMB42,361.09 million as at 30 June 2024.

As at 30 June 2024, the Group had cash and bank balances of approximately RMB4,743.17 million (31 December 2023: approximately RMB6,217.73 million), total borrowings of approximately RMB39,300.65 million (31 December 2023: approximately RMB40,828.96 million) and weighted average effective interest rate for outstanding borrowings of approximately 6.11% (including bank borrowings, trust and other borrowings, the domestic corporate bonds, senior notes and the asset-backed securities) (31 December 2023: approximately 6.55%).

As at 30 June 2024, the aggregated issued amount of the domestic corporate bonds was approximately RMB8,514 million, representing approximately 21.66% of the total borrowings of the Group.

Since the second half of 2021, the business environment of China's real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry's business environment, which has brought enormous pressure on the Group's operations. As a result of the impact brought by the above factors, the Group takes longer time than expected to realise cash from disposal of its properties and/or have the cash from external financing to meet its loan repayment obligations.

Although the Company has tried its best to mitigate the impact of various unfavourable factors on its operations, due to the prolonged duration of this situation, the Group's operation and cash position have been significantly affected, and its ability to perform future obligations is subject to uncertainty.

In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 2 to the interim condensed consolidated financial statement extracted in this announcement. The Group will closely monitor its liquidity position and issue further announcement regarding the progress of any capital structure solutions or significant business updates.

## **PLEDGE OF ASSETS**

As at 30 June 2024, the Group's borrowings were secured by the Group's assets of approximately RMB27,606.84 million (31 December 2023: approximately RMB36,222.63 million) which includes (i) completed properties held for sale; (ii) properties under development; (iii) property, plant and equipment; (iv) land use rights; (v) restricted cash; and (vi) investment property. Certain borrowings from financial institutions were also secured by the equity interests of certain subsidiaries of the Company.

## **CONTINGENT LIABILITIES**

The Group's contingent liabilities primarily include guarantees that the Group has provided to PRC banks in respect of the mortgage loans granted by the banks to purchasers of the Group's properties. The purchaser mortgage guarantees are typically released when the title deeds of the respective properties are pledged to the banks as security to continue to support the mortgage loans, which generally takes place after the properties are delivered to the purchasers. The borrowing guarantees represent the maximum exposure of the guarantees provided for the borrowings of related parties and an independent third party at the respective balance sheet dates. The total outstanding guarantee amounts provided by the Group amounted to approximately RMB20,023.29 million as at 30 June 2024 (31 December 2023: approximately RMB20,806.15 million).

The Directors believe that, in case of a default by the Group's purchasers on their mortgage payments, the net realisable value of the relevant properties will be sufficient to repay the outstanding mortgage loans, together with any accrued interest and penalty. Therefore, the Group did not make any provision in connection with these guarantees. The Group also provides various quality warranties to purchasers of its properties, with a term ranging from one to five years, in accordance with the relevant PRC laws and regulations. Such warranties are covered by back-to-back warranties provided to the Group by the respective construction contractors. In addition, the Group has, from time to time, also been a party to lawsuits and other legal proceedings in the normal course of business.

### **Current ratio**

As at 30 June 2024, the current ratio of the Group was 1.09 times (31 December 2023: 1.13 times). The decrease of the Group's current ratio was mainly attributable to the decrease of properties under development and completed properties held for sale.

### **Gearing ratio**

As at 30 June 2024, the gearing ratio of the Group was 1.58 (31 December 2023: 1.52), mainly due to the decrease in total assets. This ratio is calculated as net borrowings divided by total equity as shown in the interim condensed consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the interim condensed consolidated balance sheet) less total of cash and cash equivalents, restricted cash and term deposits.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group will continue to focus on its existing property development business and acquiring high-quality land parcels in first-tier cities in the PRC. However, in light of the current market sentiments, the Group will maintain a prudent approach in acquiring land parcels in the PRC. As at the date of this announcement, the Group has no concrete plan for any material investments or capital assets.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares).

As of 30 June 2024, the Group did not hold any treasury shares.

## **FOREIGN CURRENCY RISK**

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. As at 30 June 2024, the Group's financial assets and liabilities denominated in currencies other than RMB were mainly borrowings denominated in United States dollars and Hong Kong dollars, in the total amount of approximately RMB14,887.75 million. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to its shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

## **SIGNIFICANT INVESTMENTS HELD**

For the six months ended 30 June 2024, the Group did not hold any significant investments.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2024.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The Group had no significant events subsequent to 30 June 2024 and as of the date of this announcement.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2024, the Group employed a total of 611 full-time employees (30 June 2023: 973 full-time employees). For the six months ended 30 June 2024, the staff cost recognised as expenses of the Group amounted to approximately RMB76.84 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2024, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

## **CORPORATE GOVERNANCE**

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code during the six months ended 30 June 2024, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code which is explained below.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are both performed by Mr. Ou Zonghong (“**Mr. Ou**”), an executive Director. The Board believes that vesting the roles of both chairman and chief executive officer in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Ou's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Ou continues to act as the chairman and chief executive officer of the Group following the date upon which the Shares have been listed on the Main Board of the Stock Exchange, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the guidelines for Directors' dealings in the securities of the Company. Following specific enquiries to each of the Directors, the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2024.

## **INTERIM DIVIDEND**

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

## **AUDIT COMMITTEE AND REVIEW OF THE INTERIM RESULTS**

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rongxingroup.com](http://www.rongxingroup.com)).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee currently consists of three members, namely Mr. He Jiarong, Mr. Ren Yunan and Mr. Ruan Weifeng, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. He Jiarong who possesses appropriate professional qualifications. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2024.

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

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.rongxingroup.com](http://www.rongxingroup.com). The Company’s interim report for the six months ended 30 June 2024 will be published on the aforementioned websites in due course.

By order of the Board  
**Ronshine China Holdings Limited**  
**Ou Zonghong**  
*Chairman*

Hong Kong, 30 August 2024

*As at the date of this announcement, Mr. Ou Zonghong, Ms. Yu Lijuan, Ms. Zeng Feiyan and Mr. Wu Jianxing are the executive Directors; Mr. Li Shupe is the non-executive Director; and Mr. Ren Yunan, Mr. Ruan Weifeng and Mr. He Jiarong are the independent non-executive Directors.*