



China New Town Development Company Limited

中國新城鎮發展有限公司

Stock Code: 1278

INTERIM REPORT
2024

賡續前行
奮楫爭先

推進城鎮化投資建設



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Zhiwei (*President*)
Ms. Yang Meiyu (*Chief Executive Officer*)
Mr. Shi Janson Bing
Mr. Liu Fangqing

Non-executive Directors

Mr. Liu Yuhai (*Chairman*)
Mr. Li Yao Min (*Vice Chairman*)
Mr. Wang Hongxu
Mr. Feng Xiaoliang

Independent Non-executive Directors

Mr. Henry Tan Song Kok
(*Lead Independent Non-executive Director*)
Mr. Kong Siu Chee
Mr. Zhang Hao
Mr. Lo Wai Hung

AUDIT COMMITTEE

Mr. Henry Tan Song Kok (*Chairman*)
Mr. Zhang Hao
Mr. Lo Wai Hung

NOMINATION COMMITTEE

Mr. Lo Wai Hung (*Chairman*)
Mr. Henry Tan Song Kok
Mr. Kong Siu Chee

REMUNERATION COMMITTEE

Mr. Kong Siu Chee (*Chairman*)
Mr. Henry Tan Song Kok
Mr. Lo Wai Hung

JOINT COMPANY SECRETARIES

Ms. Cheng Lucy
Ms. Mei Zhe

BUSINESS ADDRESS

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18 Harbour Road
Wanchai, Hong Kong
Telephone: (852) 3643 0200
Facsimile: (852) 3144 9663
Website: www.china-newtown.com

REGISTERED OFFICE

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P.O. Box 3340
Road Town, Tortola
British Virgin Islands

BVI PRINCIPAL SHARE REGISTRAR

Tricor Services (BVI) Limited
P.O. Box 3340
Road Town, Tortola
British Virgin Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

LEGAL ADVISORS

HAIWEN & PARTNERS LLP
Winston & Strawn LLP
Zhonglun W&D Law Firm
Zhong Lun Law Firm

INDEPENDENT AUDITOR

Ernst & Young
(Public Interest Entity Auditor registered in
accordance with the Financial Reporting
Council Ordinance)
27/F, One Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong
Auditor's Date of Appointment:
20 November 2007
Partner-in-charge: Mr. Benny Bing Yin Cheung
since 11 August 2020

STOCK EXCHANGE LISTED

The Stock Exchange of Hong Kong Limited
Stock Name: ChinaNewTown
Stock Code: 1278
Board Lot: 2,500 shares

PRINCIPAL BANKERS

China CITIC Bank International Limited
Agricultural Bank of China Limited
China Minsheng Banking Corporation
Limited
China Construction Bank (Asia) Corporation
Limited
China Merchants Bank Co., Ltd.
Xiamen International Bank Co., Ltd.

Project List

Shanghai Luodian New Town Project (72.63% — owned)

- Total site area of 6.80 square kilometres.
- Located at Baoshan District, connected to downtown Shanghai by metroline #7 (with two stops at Luodian), around 30 minutes drive to downtown Shanghai.
- At the end of 2018, the Group signed a new cooperation agreement with the Baoshan District Government of Shanghai in respect to a new follow-up cooperation model.
- In February 2021, Plot H-06 in the eastern part of Luodian has successfully closed. In June 2021, we collected the collection of construction rebate.

Optical Valley New Development International Center Project in Wuhan (66.4% — owned)

- The total floor area of the project is 172,496 square metres (“sq.m.”), of which 116,978 sq.m. are above-ground building area.
- Wuhan Optical Valley High-tech Development Zone is a nationwide renowned optoelectronic and semi-conductor industry base, which aligns with the strategic direction of the Company of developing integrated circuit industry property.
- The project company overcame the negative impact of the previous pandemic and education policy of “double reduce” on tenants, and operated steadily and kept stability in office building and retail occupancy.

Beijing Junzhuang Project in Mentougou District

- The Mentougou District is located in the western part of Beijing. The mountains in the district are connected to Xiangshan (香山), a renowned national tourism destination, comprising an integral part of the Western Beijing ecological conservation area. Located in the northeast of Mentougou and western part of Xiangshan Mountain, Junzhuang Town has formed the industrial pattern of “one town and four villages”.
- The Group and Beijing Vanke Enterprises Co. Ltd. have jointly established a project company (we are entitled to a 50% equity interest), which will be granted an exclusive right to develop and operate the Eastern Zone of the project. In addition, using a model known as the “Village-Corporate Collaboration” with the co-ops, the project company shall also develop and operate the construction land collectively owned (集體建設用地) by the relevant village community economic cooperatives.

Group Financial Highlights

Six months ended
30 June 2024
(Unaudited)

Operating income (RMB'000)	210,938
Operating expenses (RMB'000)	(120,525)
Profit for the period (RMB'000)	59,687
Basic earnings per share (RMB)	0.0053

INTERIM RESULTS

The board of directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) together with relevant comparative figures of the previous corresponding period in 2023. The unaudited interim condensed consolidated financial statements for the Reporting Period have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

(Amount expressed in thousands of Renminbi ("RMB") unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Operating income		210,938	213,725
Revenue	5	158,692	158,042
Other income	6	52,246	55,683
Operating expenses		(120,525)	(137,215)
Cost of sales	7	(16,905)	(19,713)
Selling and administrative expenses	7	(48,163)	(44,092)
Finance costs	8	(47,455)	(34,975)
Other expenses	9	(22,120)	(21,478)
Reversal of impairment losses/ (impairment losses) on financial assets		14,118	(16,957)
Operating profit		90,413	76,510
Share of losses from joint ventures and associates		(7,151)	(5,289)
Profit before tax		83,262	71,221
Income tax	10	(23,575)	(12,686)
Profit for the period		59,687	58,535
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		743	6,178
Other comprehensive income for the period, net of tax		743	6,178
Total comprehensive income for the period, net of tax		60,430	64,713

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024
(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Profit attributable to:			
Equity holders of the parent		51,649	52,308
Non-controlling interests		8,038	6,227
		<u>59,687</u>	<u>58,535</u>
Total comprehensive income attributable to:			
Equity holders of the parent		52,392	58,486
Non-controlling interests		8,038	6,227
		<u>60,430</u>	<u>64,713</u>
Earnings per share (RMB per share)			
attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the period	12	<u>0.0053</u>	0.0054

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	Group	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Investments in joint ventures		220,361	225,599
Investments in associates		221,750	172,921
Debt instruments at amortised cost	13	1,193,566	942,974
Financial assets at fair value through profit or loss	14	165,621	216,545
Investment property	15	1,485,700	1,485,700
Property, plant and equipment		8,083	8,439
Right-of-use assets	16	24,221	29,387
Other assets		1,196	1,341
Total non-current assets		3,320,498	3,082,906
Current assets			
Land development for sale	17	780,941	780,537
Prepayments		2,268	2,271
Other receivables	18	643,087	640,837
Trade receivables	19	43,877	42,913
Debt instruments at amortised cost	13	1,681,890	1,849,131
Other assets		6,826	7,234
Financial assets at fair value through profit or loss	14	14,518	19,176
Cash and bank balances	20	1,414,834	1,454,360
Total current assets		4,588,241	4,796,459
Total assets		7,908,739	7,879,365

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	Group	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital		4,070,201	4,070,201
Accumulated losses		(476,870)	(498,349)
Foreign currency translation reserve		10,547	9,804
Other reserves		607,839	607,839
		4,211,717	4,189,495
Non-controlling interests		488,667	480,629
Total equity		4,700,384	4,670,124
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	21	2,109,327	2,019,354
Other liabilities		5,977	6,054
Deferred tax liabilities		156,562	145,257
Total non-current liabilities		2,271,866	2,170,665

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	Group	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current liabilities			
Interest-bearing loans and borrowings	21	200,793	299,295
Trade payables	22	102,084	110,450
Other payables and accruals	23	199,106	166,869
Advance from customers		32,088	38,786
Current income tax liabilities		39,051	40,687
Contract liabilities	24	363,367	382,489
Total current liabilities		936,489	1,038,576
Total liabilities		3,208,355	3,209,241
Total equity and liabilities		7,908,739	7,879,365
Net current assets		3,651,752	3,757,883
Total assets less current liabilities		6,972,250	6,840,789

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024
(Amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	83,262	71,221
Adjustments for:		
(Reversal of impairment losses)/impairment losses on financial assets	(14,118)	16,957
Depreciation of property, plant and equipment	564	596
Depreciation of right-of-use assets	5,778	6,164
Interest from debt instruments at amortised cost and dividend income from other investment	(94,870)	(78,458)
Net (gain)/loss on financial instruments at fair value through profit or loss	(3,301)	7,142
Amortisation of intangible assets	65	219
Net fair value gain on an investment property	—	(1,456)
Share of losses from joint ventures and associates	7,151	5,289
Interest income from bank deposits	(15,097)	(11,466)
Interest expense on lease liabilities	381	277
Interest expense on loans and borrowings	47,074	34,698
Foreign exchange gain	(612)	(19,821)
Operating profit before working capital changes	16,277	31,362
Increase in land development for sale	(404)	(636)
Decrease in prepayments	3	408
Increase in other receivables and other assets	(1,792)	(24,101)
Decrease in trade receivables	14,026	1,937
(Decrease)/increase in advances from customers	(6,698)	6,637
Decrease in contract liabilities	(19,122)	(13,476)
Decrease in trade and other payables	(17,520)	(10,689)
Cash generated from operating activities	(15,230)	(8,558)
Income tax paid	(13,905)	(13,645)
Net cash outflow from operating activities	(29,135)	(22,203)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Purchases of property, plant and equipment	(208)	(368)
Investments in joint ventures and associates	(30,000)	—
Capital expenditure on an investment property	(3,375)	(7,941)
Investments in debt instruments at amortised cost	(1,061,000)	(1,601,000)
Proceeds from recovery of debt instruments at amortised cost	973,368	500,000
Interest received from debt instruments at amortised cost and other investment	93,464	75,156
Investments in financial assets at fair value through profit or loss	—	(25,721)
Proceeds from redemption in financial assets at fair value through profit or loss	57,494	887,084
Interest received from bank deposits	15,097	11,466
Gain from financial assets at fair value through profit or loss	1,389	4,963
Net cash inflow/(outflow) from investing activities	46,229	(156,361)
Cash flows from financing activities		
Proceeds from loans and borrowings	642,240	1,503,957
Repayment of loans and borrowings	(619,380)	(51,000)
Payment of lease liabilities	(5,628)	(5,625)
Dividends paid	(7)	—
Interest paid	(73,827)	(21,463)
Net cash (outflow)/inflow from financing activities	(56,602)	1,425,869
Net (decrease)/increase in cash and cash equivalents	(39,508)	1,247,305
Effect of exchange rate changes on cash and cash equivalents	(18)	91
Cash and cash equivalents at beginning of period	1,454,360	504,252
Cash and cash equivalents at end of period	1,414,834	1,751,648

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024
(Amounts expressed in thousands of RMB unless otherwise stated)

Six months ended 30 June 2024 (Unaudited)

	Attributable to equity holders of the parent					Non-controlling interests	Total Equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total		
As at 1 January 2024	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124
Profit for the period	—	—	—	51,649	51,649	8,038	59,687
Other comprehensive income	—	—	743	—	743	—	743
Total comprehensive income	—	—	743	51,649	52,392	8,038	60,430
Dividends	—	—	—	(30,170)	(30,170)	—	(30,170)
As at 30 June 2024	4,070,201	607,839	10,547	(476,870)	4,211,717	488,667	4,700,384

Six months ended 30 June 2023 (Unaudited)

	Attributable to equity holders of the parent					Non-controlling interests	Total Equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total		
As at 31 December 2022 (audited)	4,070,201	607,839	7,286	(618,634)	4,066,692	470,231	4,536,923
Effect of adoption of amendments to IAS 12	—	—	—	(986)	(986)	—	(986)
As at 1 January 2023	4,070,201	607,839	7,286	(619,620)	4,065,706	470,231	4,535,937
Profit for the period	—	—	—	52,308	52,308	6,227	58,535
Other comprehensive income	—	—	6,178	—	6,178	—	6,178
Total comprehensive income	—	—	6,178	52,308	58,486	6,227	64,713
As at 30 June 2023	4,070,201	607,839	13,464	(567,312)	4,124,192	476,458	4,600,650

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

1. CORPORATE INFORMATION

The Company was incorporated on 4 January 2006 in the British Virgin Islands (the “BVI”). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). On 22 October 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “HKEx”) by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company voluntarily delisted from the SGX-ST on 17 February 2017.

The Group is a new town developer in Mainland China and has been engaged in the investment and operation of new type of urbanization and primary land development in the People’s Republic of China (the “PRC”) since 2002. Since 2014, the Company’s business models have been further optimized. With the business strategy of “investment+ downstream operation”, on top of fixed income investment in urbanization projects, the Group introduces brands of urbanization to the region in the field of people’s livelihood improvement at the same time, such as education, tourism, healthcare.

The Company was a then subsidiary of SRE Group Limited (“SRE”), a company listed on the HKEx since September 2009. During 2012, SRE disposed of its entire holding of shares in the Company to SRE’s own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer held any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited (“SREI”), the parent of SRE, became the largest shareholder of the Company.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

On 10 October 2013, the Company, China Development Bank International Holdings Limited (“CDBIH”) and SREI entered into a share subscription agreement (the “**Subscription Agreement**”) pursuant to which CDBIH had agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the “**Subscription**”). The Subscription was completed in the first quarter of 2014. As a result, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited (“**CDB Capital**”), became the largest and controlling shareholder of the Company. As an appendix of the Subscription Agreement, there was a disposal master agreement (the “**Disposal Master Agreement**”) between the Company and SREI to dispose of the specified assets and liabilities not relating to the Group’s principal business of planning and development of new town projects in Mainland China (the “**Disposal Assets**”). Execution of the Disposal Assets was completed in 2016.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% of the issued shares of the Company (the “**Share Transfer Agreement**”) with Wuxi Communications Industry Group Co., Ltd. (“**Wuxi Communications**”) and Xitong International Holdings (HK) Limited (“**Xitong International**”), a wholly-owned subsidiary of Wuxi Communications, pursuant to which, CDBIH has agreed to transfer 2,917,000,000 shares of the Company held by it to Xitong International, which represented approximately 29.99% of the issued shares of the Company (the “**Share Transfer**”). Upon the completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (representing approximately 29.99% of the issued shares) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (representing approximately 24.99% of the issued shares) of the Company as the second largest shareholder.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standards (“**IAS**”) 34 Interim Financial Reporting.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The interim condensed consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

(a) Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Group for the period ended 30 June 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement(s) with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements
- (c) The Group's voting rights and potential voting rights

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent/Company and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with International Financial Reporting Standards ("IFRSs").

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply by the Group for the first time in 2024, but do not have a material impact on the Group's interim condensed consolidated financial statements.

Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

In May 2023, the International Accounting Standards Board (the "IASB") issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development, and construction of ancillary public facilities;
- Urbanization development segment, which is responsible for investments in new town projects;
- Property leasing segment, which provides property leasing services of investment property; and
- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The following tables present sales and profit information for the Group's operating segments for the six months ended 30 June 2024 and 2023, respectively:

RMB'000	For the six months ended 30 June 2024 (Unaudited)					Total
	Land development	Urbanization development	Property leasing	Others	Adjustments and eliminations	
Segment results						
External sales	—	94,870	63,822	—	—	158,692
Intersegment sales	—	—	—	—	—	—
Total segment sales	—	94,870	63,822	—	—	158,692
Segment profit/(loss)	12,484	78,110	45,253	(5,130)	—	130,717
Finance costs					(47,455) ¹	(47,455)
Profit before income tax						83,262

¹ Profit for each operating segment does not include finance costs of RMB47,455 thousand.

RMB'000	For the six months ended 30 June 2023 (Unaudited)					Total
	Land development	Urbanization development	Property leasing	Others	Adjustments and eliminations	
Segment results						
External sales	13,374	78,458	66,210	—	—	158,042
Intersegment sales	—	—	—	—	—	—
Total segment sales	13,374	78,458	66,210	—	—	158,042
Segment profit/(loss)	3,861	57,446	47,309	(2,420)	—	106,196
Finance costs					(34,975) ¹	(34,975)
Profit before income tax						71,221

¹ Profit for each operating segment does not include finance costs of RMB34,975 thousand.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2024 and 31 December 2023, respectively:

	Land development	Urbanization development	Property leasing	Others	Adjustments and eliminations	Total
Assets						
30 June 2024 (Unaudited)	1,023,498	4,416,160	1,706,524	762,557	—	7,908,739
31 December 2023 (Audited)	931,699	4,827,304	1,552,831	567,531	—	7,879,365
Liabilities						
30 June 2024 (Unaudited)	532,494	44,019	76,574	49,535	2,505,733 ¹	3,208,355
31 December 2023 (Audited)	562,677	41,771	77,640	22,560	2,504,593 ¹	3,209,241

¹ Liabilities in segments do not include current income tax liabilities of RMB39,051 thousand, interest-bearing loans and borrowings of RMB2,310,120 thousand, and deferred tax liabilities of RMB156,562 thousand as at 30 June 2024 as these liabilities are managed on a group basis.

Liabilities in segments do not include current income tax liabilities of RMB40,687 thousand, interest-bearing loans and borrowings of RMB2,318,649 thousand, and deferred tax liabilities of RMB145,257 thousand as at 31 December 2023 as these liabilities are managed on a group basis.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

5. REVENUE

<i>RMB'000</i>	Notes	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
Land development	(a)	—	13,374
Property management	(a)	16,270	17,012
Revenue from contracts with customers	(a)	16,270	30,386
Rental income		47,552	49,198
Interest from debt instruments at amortised cost	(b)	93,474	78,458
Others	(c)	1,396	—
Revenue from other sources		142,422	127,656
Total revenue		158,692	158,042

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

<i>RMB'000</i>	Six months ended		Total
	30 June 2024 (Unaudited)		
	Land development	Property leasing	
Segments			
Type of goods or service			
Land development	—	—	—
Property management	—	16,270	16,270
Total revenue from contracts with customers	—	16,270	16,270
Timing of revenue recognition			
Services rendered over time	—	16,270	16,270

The Group's total revenue from contracts with customers is all derived from Mainland China.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

<i>RMB'000</i>	Six months ended		
	30 June 2023 (Unaudited)		
	Land development	Property leasing	Total
Segments			
Type of goods or service			
Land development	13,374	—	13,374
Property management	—	17,012	17,012
Total revenue from contracts with customers	13,374	17,012	30,386
Timing of revenue recognition			
Services rendered over time	13,374	17,012	30,386

The Group's total revenue from contracts with customers is all derived from Mainland China.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

(b) The detailed information of interest from debt instruments at amortised cost is as follows:

<i>RMB'000</i>	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
Yangzhou Hanjiang Industrial Park Infrastructure Project	21,969	—
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	16,669	—
Wuxi Gaoxin District Industrial Park Project	14,308	79
Wuxi Liangxi District Food Science and Technology Innovation Center Project	10,044	1,435
Yangzhou Jiangdu People's Hospital New Project	5,998	9,352
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	5,723	94
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	5,523	814
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	4,677	8,585
Zhuji Pingfengwu Ecological Cemetery Project	2,795	—
Wuxi Guojin Commercial Factoring National Trust Project	1,684	—
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	425	—
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	—	13,642
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	—	12,094
Yangzhong Changwang Operation Area Logistics Park Construction Project	—	11,919
Wuxi Guojin Commercial Factoring Fixed Income Project	—	7,293
Suqian Yanghe Bio-tech Industrial Park Project	—	5,024
Yancheng Sheyang Ruiyang Technology Fixed Income Project	—	4,488
Others	3,659	3,639
	93,474	78,458

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

(c) The detailed information of others is as follows:

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund	1,396	—

6. OTHER INCOME

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
Interest income from bank deposits	15,097	11,466
Investment income from financial instruments at fair value through profit or loss	23,997	13,137
Fair value gain on investment property	—	1,456
Foreign exchange gain, net	612	19,821
Others	12,540	9,803
	52,246	55,683

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

7. EXPENSES BY NATURE

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
Cost of land development	60	3,896
Depreciation of property, plant and equipment	564	596
Depreciation of right-of-use assets	5,778	6,164
Employee benefits	22,509	20,968
Utility expenses	6,175	6,081
Advertising	475	373
Rental expenses	563	700
Property management service expenses	12,863	11,475
Other expenses	16,081	13,552
Total cost of sales, selling and administrative expenses	65,068	63,805

8. FINANCE COSTS

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
Interest on bank and other borrowings	47,074	34,698
Interest on lease liabilities	381	277
	47,455	34,975

No borrowing cost during the first half of 2024 and the first half of 2023 was capitalised.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

9. OTHER EXPENSES

<i>RMB'000</i>	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
Bank charges	1,356	35
Net fair value loss on financial instruments at fair value through profit or loss	20,696	20,279
Others	68	1,164
	22,120	21,478

10. INCOME TAX

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

The Company is a tax-exempted company incorporated in the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Mainland China, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in the statement of profit or loss.

The major components of income tax are as follows:

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
Income tax charge/(credit):		
Current income tax	5,537	10,155
Deferred tax	11,305	(1,212)
Withholding tax	6,733	3,743
Income tax charge as reported in profit or loss	23,575	12,686

11. DIVIDENDS

The distribution of a final dividend of HK\$0.0034 per ordinary share for the year ended 31 December 2023 (2022: nil) was approved by shareholders at the annual general meeting of the Company held on 21 June 2024 (the “2024 AGM”).

The Board resolved not to declare any interim dividend for the Reporting Period (2023: HK\$0.0022).

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the Reporting Period.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
<i>RMB'000</i>		
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	51,649	52,308
Weighted average number of ordinary shares used to calculate the basic and diluted earnings per share	9,726,246,417	9,726,246,417
Basic and diluted earnings per share (RMB)	0.0053	0.0054

There were no transactions involving ordinary shares or potential ordinary shares during the Reporting Period.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

13. DEBT INSTRUMENTS AT AMORTISED COST

<i>RMB'000</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Wuxi Gaoxin District Industrial Park Project	500,000	500,000
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	500,000	500,000
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	450,000	—
Zhuji Pingfengwu Ecological Cemetery Project	401,000	—
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	400,000	400,000
Wuxi Liangxi District Food Science and Technology Innovation Center Project	351,000	351,000
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	200,000	200,000
Wuxi Guojin Commercial Factoring National Trust Project	200,000	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	150,000	150,000
Yangzhou Hanjiang Industrial Park Infrastructure Project	—	500,000
Yangzhou Jiangdu People's Hospital New Project	—	268,213
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	—	200,000
Others	90,000	90,000
	3,242,000	3,159,213
Accrued interest	42,299	40,893
	3,284,299	3,200,106
Less: allowance for expected credit losses ("ECLs")	(408,843)	(408,001)
	2,875,456	2,792,105
Amounts due in the next 12 months classified as current assets	1,681,890	1,849,131
Amounts classified as non-current assets	1,193,566	942,974

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>RMB'000</i>		
Wealth management products	14,518	17,508
Equity instruments	165,621	216,545
Derivatives	—	1,668
	180,139	235,721

15. INVESTMENT PROPERTY

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>RMB'000</i>		
At beginning of Reporting Period/year	1,485,700	1,485,700
Subsequent expenditure and cost adjustment	—	(1,456)
Gain from increase in fair value	—	1,456
At end of Reporting Period/year	1,485,700	1,485,700

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

16. RIGHT-OF-USE ASSETS

<i>RMB'000</i>	Building	Motor vehicles	Land	Total
As at 1 January 2023	9,581	491	1,609	11,681
Additions	29,572	—	—	29,572
Depreciation expense	(11,487)	(222)	(157)	(11,866)
As at 31 December 2023	27,666	269	1,452	29,387
Additions	612	—	—	612
Depreciation expense	(5,588)	(111)	(79)	(5,778)
As at 30 June 2024	22,690	158	1,373	24,221

17. LAND DEVELOPMENT FOR SALE

<i>RMB'000</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
The Mainland China — Shenyang Lixiang New Town Modern Agriculture Co., Ltd.	780,941	780,537

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

18. OTHER RECEIVABLES

	30 June 2024	31 December 2023
<i>RMB'000</i>	(Unaudited)	(Audited)
Balances due from Wuxi Project	20,977	20,977
Due from SREI	89,896	89,896
Balances due from entities disposed of	24,384	24,384
Due from joint ventures	497,781	495,600
Due from associates	1,666	1,395
Others	78,740	78,912
	713,444	711,164
Less: allowance for ECLs	(70,357)	(70,327)
Other receivables, net	643,087	640,837

19. TRADE RECEIVABLES

	30 June 2024	31 December 2023
<i>RMB'000</i>	(Unaudited)	(Audited)
Receivables from land development for sale	32,218	47,218
Others	15,655	14,681
	47,873	61,899
Less: allowance for ECLs	(3,996)	(18,986)
Trade receivables, net	43,877	42,913

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>RMB'000</i>		
Within 6 months	11,963	10,999
6 months to 1 year	—	—
1 year to 2 years	—	19
2 years to 3 years	19	—
Over 3 years	31,895	31,895
	43,877	42,913

20. CASH AND BANK BALANCES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>RMB'000</i>		
Cash at banks	1,414,834	1,454,360

RMB equivalent of the following currencies:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>RMB'000</i>		
RMB	1,357,596	1,451,240
HKD	2,216	1,210
USD	55,004	668
EUR	18	1,242
	1,414,834	1,454,360

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

21. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 (Audited)
Current interest-bearing loans and borrowings		
Lease liabilities	11,721	11,677
Bank loans — secured	37,899	94,764
Bank loans — unsecured	—	15,019
Guaranteed bonds	10,468	40,563
Other borrowings	140,705	137,272
	200,793	299,295
Non-current interest-bearing loans and borrowings		
Lease liabilities	7,604	12,284
Bank loans — secured	604,293	510,380
Guaranteed bonds	1,497,430	1,496,690
	2,109,327	2,019,354
	2,310,120	2,318,649

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The interest-bearing loans and borrowings are repayable as follows:

<i>RMB'000</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within 6 months	184,060	53,162
6 months to 9 months	415	47,364
9 months to 12 months	16,318	198,769
Current interest-bearing loans and borrowings	200,793	299,295
1 year to 2 years	62,655	116,354
2 years to 5 years	1,672,037	1,795,620
Over 5 years	374,635	107,380
Non-current interest-bearing loans and borrowings	2,109,327	2,019,354
	2,310,120	2,318,649

The Group's interest-bearing loans and borrowings bore interest at 3.89% to 7% per annum for the Reporting Period (2023: at 4.05% to 7% per annum).

Bank loans — secured

As at 30 June 2024, bank borrowings of RMB642,192 thousand (31 December 2023: RMB605,144 thousand) were secured by the investment property, whose carrying amount at 30 June 2024 was RMB1.486 billion (31 December 2023: RMB1.486 billion).

Guaranteed bonds

As at 20 April 2023, CNTD Success Company Limited (“**Success**”), a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company's working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at coupon rate of 3.98% and are guaranteed by Wuxi Communications.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

22. TRADE PAYABLES

	30 June	31 December
	2024	2023
<i>RMB'000</i>	(Unaudited)	(Audited)
Payable for land development for sale	102,084	110,450

An ageing analysis of the Group's trade payables is as follows:

	30 June	31 December
	2024	2023
<i>RMB'000</i>	(Unaudited)	(Audited)
Within 1 year	66	8,432
1 year to 2 years	—	—
Over 2 years	102,018	102,018
	102,084	110,450

Trade payables are non-interest-bearing.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

23. OTHER PAYABLES AND ACCRUALS

<i>RMB'000</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Payroll and Welfare	2,264	11,725
Other taxes payable	23,120	23,045
Amounts due to related parties	966	1,717
Payable for intermediary and professional service charges	5,976	10,203
Dividend payables	30,372	207
Payable for investment property	4,430	7,805
Deposits	35,588	35,273
Others	96,390	76,894
	199,106	166,869

24. CONTRACT LIABILITIES

<i>RMB'000</i>	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Contract liabilities arising from:			
Land development	(i)	357,014	377,014
Property management		6,353	5,475
		363,367	382,489

Note:

- (i) As at 30 June 2024 and 31 December 2023, the contract liabilities arising from land development for sale represented the amounts received or receivable from the land authorities or local governments to fulfil the performance obligations of land development services. The amounts received or receivable are non-refundable unless the Group fails to complete the development work. The contract liabilities are classified as current liabilities as the remaining development work is expected to be provided within the normal operating cycle.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

25. CONTINGENT LIABILITIES

Shanghai CNTD Management Consulting Company Limited (“**Shanghai Management**”) is currently a defendant in the lawsuits brought by Shanghai Hengchang Trading Co., Ltd. (“**Shanghai Hengchang**”) and Shanghai Yuanyi Industrial Co., Ltd. (“**Shanghai Yuanyi**”) which were alleged for the over-received amount of RMB14.4 million and RMB1 million, respectively. Shanghai Management obtained the first instance judgment from Shanghai Baoshan District People’s Court on 28 June 2022 pursuant to which the Shanghai Baoshan District People’s Court ruled in favour of Shanghai Management and the respective claims of Shanghai Hengchang and Shanghai Yuanyi were rejected. Shanghai Hengchang and Shanghai Yuanyi subsequently appealed to the Shanghai No. 2 Intermediate People’s Court and a retrial has been ordered and commenced in March 2024. Shanghai Management received notice on 3 April 2024 that the retrial was completed on 29 March 2024 in which Shanghai Baoshan District People’s Court ruled in favour of Shanghai Hengchang and Shanghai Yuanyi and the appeal judgment was rendered against Shanghai Management. Shanghai Management subsequently appealed to Shanghai Intermediate People’s Court for a second retrial. The cases will go to trial on 9 August and 13 August 2024, respectively.

The directors of the Company (the “**Directors**”), based on the advice from the Group’s legal counsel, believe that Shanghai Management have valid grounds for appeal for the second retrial and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

26. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Notes to Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 30 June 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	30 June 2024	180,139	—	14,518	165,621
Investment property (Note 15)	30 June 2024	1,485,700	—	—	1,485,700

There were no transfers of fair value measurement between Level 1 and Level 2, and no transfers into or out of Level 3 during the Reporting Period.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2023:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2023	235,721	—	70,373	165,348
Investment property (Note 15)	31 December 2023	1,485,700	—	—	1,485,700

There were no transfers of fair value measurement between Level 1 and Level 2, and no transfers into or out of Level 3 during the year ended 31 December 2023.

Management Discussion and Analysis

FINANCIAL REVIEW/ABSTRACTS

a) Financial review of development of business of the Group during the Reporting Period and of its financial position at the end of the Reporting Period:

Operating Results

Revenue

Our results from operations mainly include land development, urbanization investment and property leasing. In the first half of 2024, the Group recorded revenue of RMB159 million, which essentially remained the same as compared with the same period of 2023.

There was no revenue from land development in the first half of 2024. In the first half of 2024, revenue related to investment property leasing of RMB47,552 thousand and property management fee of RMB16,270 thousand were recorded, which in aggregate represented a decrease of 4% as compared with the corresponding period of 2023, mainly due to the reduction of rental rates in 2024. Revenue from urbanization development increased by 19% to RMB93,474 thousand, which was mainly due to the increase in the balance of investment in urbanization projects as compared with the same period of last year, corresponding to an increase in revenue from investment in projects.

Other income

In the first half of 2024, other income decreased by 6% as compared with the same period of 2023, which was mainly due to the increase in the interest income from bank deposits of RMB3,631 thousand as compared with the same period of last year, the increase in investment income from financial instruments at fair value through profit or loss of RMB10,860 thousand as compared to that of last period, and the decrease in net foreign exchange gain of RMB19,209 thousand.

Cost of sales, and selling and administrative expenses

In the first half of 2024, cost and expense increased by RMB1,263 thousand as compared with the same period of 2023, which was mainly due to the increase in property management service expenses of RMB1,388 thousand, the increase in other expenses of RMB2,529 thousand, and the decrease in land development cost carried forward of Shanghai Golden Luodian Development Co., Ltd. (“SGLD”) Plot D1-3 kindergarten project of RMB3,836 thousand.

Management Discussion and Analysis

Other expenses

In the first half of 2024, other expenses increased 3% as compared with the same period of 2023, which was mainly due to the increase in the bank charges of RMB1,321 thousand as compared with the same period of 2023, the net fair value loss on financial instruments at fair value through profit or loss essentially remained the same as compared with the same period of 2023 and the decrease in cost in others of RMB1,096 thousand as compared with the same period of 2023.

Reversal of impairment losses/(impairment losses) on financial assets

In the first half of 2024, the Group recorded reversal of impairment losses on financial assets of RMB14,118 thousand, which was mainly due to the reversal of impairment losses of RMB15,000 thousand in the first half of 2024 in respect of the trade receivables received by SGLD from the first level development and management contract of the Eastern Zone of Luodian New Town, while impairment losses on financial assets of RMB16,957 thousand were recorded for the same period of 2023, which was mainly due to the new fixed income project investment of RMB1,201 million, corresponding provision for financial asset impairment loss of RMB12.01 million and the additional provision of RMB5,425 thousand for the receivables of SREI in the first half of 2023.

Finance costs

In the first half of 2024, finance costs increased by 36% compared with the same period in 2023, mainly due to the increase in interest expenses on the guaranteed bonds of RMB19,789 thousand in the first half of 2024, and the decrease in loan interest of RMB7,870 thousand as compared to the same period of last period due to the repayment of the loans from China Construction Bank (Asia) Corporation Limited and Bank of China.

Share of losses from joint ventures and associates

In the first half of 2024, the Group's share of losses from joint ventures and associates was RMB7,151 thousand, representing an increase of 35% as compared with the same period in 2023, mainly due to the higher management expenses incurred by Beijing Guowan Real Estate Co., Ltd., the joint venture, resulting in larger losses.

Management Discussion and Analysis

Taxation

In the first half of 2024, the Group recorded income tax expense of RMB23,575 thousand, representing an increase of RMB10,889 thousand as compared with the same period in 2023, where in among which, current income tax expenses decreased by RMB4,618 thousand, deferred tax increased by RMB12,517 thousand and withholding tax increased by RMB2,990 thousand.

Financial Position

Investments in associates

The balances as at 30 June 2024 increased by RMB48,829 thousand as compared with that of 31 December 2023, which was mainly due to the new capital contribution of RMB50 million to Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) (“**Meidi Elderly Care**”), RMB1,914 thousand of share of losses of associates and RMB743 thousand of share of other comprehensive income of associates.

Investments in joint ventures

The balances as at 30 June 2024 decreased by RMB5,238 thousand as compared with that of 31 December 2023, which was mainly due to the share of loss of RMB5,238 thousand from the joint venture.

Debt instruments at amortised cost (non-current assets)

As at 30 June 2024, debt instruments at amortised cost (non-current assets) increased by RMB251 million as compared with that of 31 December 2023, which was mainly due to the increase of RMB401 million of the Zhuji Pingfengwu Ecological Cemetery Project and RMB150 million of the Jiangyin Changjing Industrial Park Sewage-treatment Plant Project reclassified from non-current assets to current assets in the first half of 2024.

Financial assets at fair value through profit or loss (non-current assets)

As at 30 June 2024, financial assets at fair value through profit or loss (non-current assets) decreased by RMB50,924 thousand as compared with that of 31 December 2023, which was mainly due to the disposal of the Giant Biogene Project with a carrying value of RMB51,197 thousand in the first half of 2024.

Management Discussion and Analysis

Other receivables

As at 30 June 2024, other receivables increased by RMB2,250 thousand as compared with that of 31 December 2023, which was mainly due to the increase in receivables from joint ventures.

Debt instruments at amortised cost (current assets)

As at 30 June 2024, debt instruments at amortised cost (current assets) decreased by RMB167 million as compared with that of 31 December 2023, which was mainly due to the collection of investment of RMB268 million in Yangzhou Jiangdu People's Hospital New Project, the collection of RMB200 million of Hubei Daye Advanced Manufacturing Standard Plant Construction Project, the collection of RMB500 million of Yangzhou Hanjiang Industrial Park Infrastructure Project, and the increase of RMB450 million of Yangzhou Hanjiang Industrial Park Sewage-treatment Plant Project, the increase of RMB200 million of Wuxi Guojin Commercial Factoring National Trust Project, the increase of RMB150 million of Jiangyin Changjing Industrial Park Sewage-treatment Plant Project from non-current assets to current assets in the first half of 2024.

Financial assets at fair value through profit or loss (current assets)

As at 30 June 2024, financial assets at fair value through profit or loss decreased by RMB4,658 thousand as compared with that of 31 December 2023, which was mainly due to the redemption of wealth management products of RMB3,023 thousand in the first half of 2024.

Interest-bearing loans and borrowings

As at 30 June 2024, interest-bearing loans and borrowings decreased by RMB8.529 million as compared with that of 31 December 2023, which was mainly due to the drawdown of RMB642 million of the loans from China Merchants Bank Co., Ltd. ("**China Merchants Bank**") by Wuhan Chuguang Industry New Development Co. Ltd., the repayment of the loan of RMB604 million to Bank of China and the short-term loan of RMB15 million to China Merchants Bank, the decrease of RMB30.095 million in accrued interest on guaranteed bonds of Success, the decrease of RMB4.636 million in lease liabilities as a result of the leasing of an office building by Beijing Xincheng Kaiyuan Asset Management Company Limited* (北京新成開元資產管理有限公司) ("**Xincheng Kaiyuan**"), and the increase of RMB3.433 million the accrued interest of other borrowings due to shareholder loans obtained from Huzhou

Management Discussion and Analysis

Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)). The borrowings were denominated in RMB. Details of the bank borrowings are set out in Note 21 to the interim condensed consolidated financial statements.

Trade payables

As at 30 June 2024, trade payables decreased by RMB8,366 thousand as compared with that of 31 December 2023, which was mainly due to the payment by SGLD of the construction expenditure of Plot D1-3 kindergarten project.

Other payables and accruals

As at 30 June 2024, other payables and accruals increased by RMB32,237 thousand as compared with that of 31 December 2023, which was mainly due to the provision of dividend payable of RMB30,165 thousand.

Contract liabilities

As at 30 June 2024, contract liabilities decreased by RMB19,122 thousand as compared with that of 31 December 2023, which was mainly due to the adjustment of the performance liabilities by the government of RMB20 million for Nine-Year School and Kindergarten Project in the Eastern Zone of Luodian New Town.

Cash and bank balances

As at 30 June 2024, cash and cash equivalents decreased by RMB39,526 million as compared with that of 31 December 2023, which was mainly due to net cash outflow from operating activities of RMB29,135 million, net cash inflow from investing activities of RMB46,229 million and net cash outflow from financing activities of RMB56,602 million in the first half of 2024.

As at 30 June 2024, gearing ratio (defined as net debt/the sum of shareholders equity and net debt, net debt defined as total debt less cash and bank balances) was 16%, which essentially remained the same from 16% as at 31 December 2023. Cash and cash equivalents were denominated in RMB, Hong Kong dollar, Euro and United States dollar.

Management Discussion and Analysis

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Formation of Wuxi Xinsheng Investment Partnership (Limited Partnership Partnership)* (無錫新晟投資合夥企業(有限合夥)) (the “**Wuxi Xinsheng Partnership**”)

On 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) (“**Shanghai Jiatong**”) (both are wholly-owned subsidiaries of the Company) entered into a limited partnership agreement with Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) (a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) (“**Wuxi Tonghui**”)) and Wuxi Tonghui (a wholly-owned subsidiary of Wuxi Communications) to jointly set up Wuxi Xinsheng Partnership (the “**Limited Partnership Agreement**”). In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the partners entered into the rights and obligations arrangement agreement, pursuant to which Wuxi Tonghui agreed to make up the shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in Wuxi Xinsheng (the “**Rights and Obligations Arrangement Agreement**”); and (2) Wuxi Communications entered into the guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the shortfall makeup and acquisition obligations of Wuxi Tonghui under the rights and obligations arrangement agreement (the “**Guarantee Agreements**”). Accordingly, the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements constitute a major and connected transaction under the Rules Governing the Listing of Securities on the HKEx (the “**Listing Rules**”) and was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 22 March 2024. For details, please refer to the Company’s (i) announcements dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024 respectively; and (ii) circular dated 6 March 2024. There has not been contributed during the Reporting Period.

Management Discussion and Analysis

Acquisition of 30% equity interest in Meidi Elderly Care

On 24 April 2024, Hainan Xincheng Kaiyuan Investment Co., Ltd* (海南新成開元投資有限責任公司) (“**Hainan Xincheng**”), an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement and a shareholders’ agreement with the existing shareholders of Meidi Elderly Care, prior to entering of the capital increase agreement, each of which are third parties independent of and not connected with the Company and its connected persons and Meidi Elderly Care (the “**Capital Increase Agreement**”), pursuant to which Hainan Xincheng has conditionally agreed to acquire approximately 30% equity interest in the Meidi Elderly Care by way of capital contribution of RMB50,000,000 (equivalent to approximately HK\$54,945,055) to Meidi Elderly Care, of which RMB17,543,858.57 will be accounted for the registered capital of Meidi Elderly Care and RMB32,456,141.43 will be accounted for the capital reserve of Meidi Elderly Care. Upon completion of the capital increase, the Company, through Hainan Xincheng, will hold approximately 30% equity interest of Meidi Elderly Care. As such, Meidi Elderly Care will become an associate of the Company, and its financial results will not be consolidated into the Group’s consolidated financial statements. The entering into of the Capital Increase Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under the Listing Rules. For details, please refer to the Company’s announcements dated 25 April 2024 and 16 May 2024 respectively. During the Reporting Period, the Group has made a capital contribution of RMB30 million and the outstanding capital contribution of RMB20 million is included in other payables and accruals.

Formation of Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership)* (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)) (the “**Yixing Kaihe Oxygen Partnership**”)

On 23 May 2024, Xincheng Kaiyuan, an indirect wholly-owned subsidiary of the Company, entered into a limited partnership agreement with Wuxi Kaihe Oxygenation Equity Investment Co., Ltd.* (無錫開禾增氧股權投資有限公司) (“**Wuxi Kaihe**”), Hainan Yunhu Enterprise Management Partnership (Limited Partnership)* (海南雲虎企業管理合夥企業(有限合夥)) (“**Hainan Yunhu**”) and Yixing New Kinetic Energy Industry Fund Partnership (Limited Partnership)* (宜興新動能產業基金合夥企業(有限合夥)) (“**Yixing New**”), in relation to the establishment of the Yixing Kaihe Oxygen Partnership for the purpose of investment (the “**Yixing Kaihe Oxygen**”).

Management Discussion and Analysis

Limited Partnership Agreement”). The total capital contribution committed to be subscribed by all partners to the Yixing Kaihe Oxygen Partnership is RMB1,000,000,000 on the initial closing date, which will be settled by the partners by instalments by way of cash per the payment notice of the fund manager. The capital contribution to be subscribed by each of Xincheng Kaiyuan, Wuxi Kaihe, Hainan Yunhu and Yixing New will be RMB409,000,000, RMB1,000,000, RMB400,000,000 and RMB190,000,000, respectively. The transaction contemplated under the Yixing Kaihe Oxygen Limited Partnership Agreement constitutes a major transaction under the Listing Rules. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no shareholder of the Company or any of their respective associates has any material interest in the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. As such, none of the shareholders of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Xitong International and CDBIH, being a closely allied group of shareholders of the Company, which, as at 23 May 2024, held 2,917,000,000 shares and 2,430,921,071 shares, respectively, representing approximately 29.99% and 24.99% of the issued share capital of the Company, respectively, for the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting was convened by the Company to approve the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. For details, please refer to the Company’s (i) announcements dated 23 May 2024 and 13 June 2024 respectively; and (ii) circular dated 10 July 2024. There has not been contributed during the Reporting Period.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Significant investments

Save as disclosed in the financial position section of the financial review/abstracts, the Group did not hold any significant investments or capital assets during the Reporting Period.

Management Discussion and Analysis

Foreign exchange exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interest-bearing bank borrowings.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Reporting Period, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

Shanghai Management is currently a defendant in the lawsuits brought by Shanghai Hengchang and Shanghai Yuanyi, which were alleged for the over-received amount of RMB14.4 million and RMB1 million, respectively. Shanghai Management obtained the first instance judgment from Shanghai Baoshan District People's Court on 28 June 2022 pursuant to which the Shanghai Baoshan District People's Court ruled in favour of Shanghai Management and the respective claims of Shanghai Hengchang and Shanghai Yuanyi were rejected. Shanghai Hengchang and Shanghai Yuanyi subsequently appealed to the Shanghai No. 2 Intermediate People's Court and a retrial has been ordered and commenced in March 2024. Shanghai Management received notice on 3 April 2024 that the retrial was completed on 29 March 2024 in which Shanghai Baoshan District People's Court ruled in favour of Shanghai Hengchang and Shanghai Yuanyi and the appeal judgment was rendered against Shanghai Management. Shanghai Management subsequently appealed to Shanghai Intermediate People's Court for a second retrial. The cases will go to trial on 9 August and 13 August 2024, respectively.

Management Discussion and Analysis

The Directors, based on the advice from the Group's legal counsel, believe that the Company and Shanghai Management have valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

Save as disclosed above, as at 30 June 2024, the Group did not have any significant contingent liabilities.

b) Details of important events affecting the Group which have occurred after the end of the Reporting Period:

The Group has recently received two letters, both issued by Agricultural Bank of China Limited (the “**Bank**”) and addressed to Xincheng Kaiyuan, previously known as CDB New Town (Beijing) Asset Management Company Limited* (國開新城(北京)資產管理有限公司) (“**CDB New Town**”), an indirect wholly-owned subsidiary of the Company established under the laws of PRC in relation to the guarantee dated 21 January 2021 entered into by Xincheng Kaiyuan (signed as CDB New Town) and Jiangsu Provincial Construction Group Co., Ltd.* (江蘇省建築工程集團有限公司) (“**JPC**”) in favour of the Bank relating to the loan facility (the “**Bank Loan**”) up to RMB500 million granted by the Bank to Nanjing Guoying Zhongxi Development Company Limited* (南京國英中西建設開發有限公司) (“**Nanjing Guoying**” or the “**Joint Venture**”, a jointly controlled entity of the Company). Accordingly, each of Xincheng Kaiyuan and JPC agreed to guarantee the punctual due payment of the Bank Loan and interest granted by the Bank to the Joint Venture according to the proportion of its equity (the “**Guarantee**”). Due to the failure of Nanjing Guoying to repay the principal and interest of the Bank Loan, the Bank informed Xincheng Kaiyuan (as the guarantor under the Guarantee) to assume the guarantee liability and make full repayment of the guaranteed sum of the overdue principal of approximately RMB232.61 million and payment of accrued interest in the sum of approximately RMB3.29 million (which is calculated up to and inclusive of 25 July 2024) to the Bank according to the proportion of its equity on or before 25 July 2024. The Group is currently negotiating with Nanjing Guoying (the Joint Venture), JPC (a joint venture partner) and the Bank on the repayment proposal and actively procuring Nanjing Guoying to fulfill its repayment obligations. If all parties fail to reach a consensus on the repayment proposal, Xincheng Kaiyuan will assume the guarantee liability in

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proportion to its shareholding, with a maximum exposure of RMB236 million (outstanding principal and interest as of 25 July 2024). Please refer to the Company's announcements dated 17 July 2024, 25 July 2024 and 31 July 2024 for further details.

c) **An indication of likely future developments in the business of the Group for the fiscal year:**

In the second half of this year, the Group will optimise the fixed-income product patterns and stabilise the existing fixed-income investment returns on the basis of strict control over project risks, with an aim to secure long-term and stable cash flows. In the meantime, the Group will accelerate the pace of business transformation under the guidance of national policies and market demands. With a focus on economic sectors such as big health industry, strategic emerging industry and infotech application innovation industry, the Group will reach out projects in such new economic sectors through multiple ways including investment in minority interests, participation in and establishment of industrial funds. It will also accumulate operational experience to facilitate its strategic transformation, thereby making explorations in principal business by taking such multiple measures.

d) **Business prospects and outlook**

In the first half of 2024, the global political and economic environments tended to be complex, severe and uncertain, and domestic structural reform continued to deepen, which brought new challenges. Despite such challenges, under the combined effect of the new supports formed by multiple factors including continual release of macro-policy effect, recovery of external demands and accelerated development of new productivity, China's economy maintained the good momentum of continual recovery, overall stability and making progress amid stability. From the prospective of macro-indexes such as economic growth, employment, price of commodities and international balance of payments, the economy remained generally stable. In the first half of the year, China's gross domestic product amounted to RMB61.7 trillion, representing a year-on-year increase of 5.0%, of which consumer price index increased by 0.1% year-on-year. The continual recovery of service sectors supported the stability and expansion of employment. Under the guidance of pro-employment policies, the boom of new industries, new sectors and new models have given birth to emerging occupational demands, and therefore the employment remained stable in general. Meanwhile, from the prospective of international balance of payments, the total value of imports and exports of goods in the first half of the year reached RMB21.2 trillion,

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hitting a record high and with consolidated strengths in exports of key products. At present, China is at a critical stage of shift in development mode, optimisation of economic structure and change of growth drivers, and has made stable progress in its transformation and upgrade. From the prospective of development environment, the global economic growth drivers were relatively weak, with frequently-happening geopolitical conflicts, international trade frictions and other issues. Moreover, the effective demands at home were insufficient, and enterprises operated under great pressures and faced many risks and hidden dangers in key fields, which posed a lot of difficulties and challenges to the stability of economy. In conclusion, China's development momentum of improvement amid stability and long-term improvement will remain unchanged as the favorable conditions for its development are greater than the adverse factors.

In the first half of 2024, the Group insisted on making progress while maintaining stability. By centering on its corporate development strategies and focusing on big health, high-tech, new energy industry and other sectors, the Group explored project merger and acquisition opportunities, and optimised the existing project assets, to accelerate and advance the business transformation of the Company. In terms of fixed-income investments, by fully utilising the strengths in resource coordination of its major shareholder, Wuxi Communications, the Group successfully deployed and expanded the project investments in economically developed regions, and made adjustment to its investment structure, thereby achieving the transfer of fixed-income business to economically developed regions. As of 30 June 2024, its fixed-income investment portfolio amounted to approximately RMB2.744 billion, representing a corresponding average annualised pre-tax return on investment of approximately 6.5%, which ensured a stable and sustained cash flow replenishment. On such basis, the Group made use of the resource advantages of its major shareholder to participate in the establishment of Wuxi Xinsheng Partnership, and collaborated with quality cooperators in the industry to set up Kaihe Oxygen Private Equity Investment Fund, so as to facilitate the Group to enter into infotech application innovation industry and new energy market, effectively employ and display the resource advantages to promote the strategies to be put into practice, and effectively secure quality project reserves, thereby consolidating the foundation for its strategic transformation. Meanwhile, in terms of the big health industry, the Group has made breakthrough progress by cooperating with Meidi Elderly Care, which provides the Group with opportunities to develop the elderly care and healthcare market in China, and explore the possibility of further

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investments in the industry-related property and urban development and healthcare business. The Group leveraged on its partners' advantages in brands and experiences to make a breakthrough in the big health sector by deployment in advance, which generated synergistic effect with the Group's business of people's livelihood improvement investments. In addition, the Group continued to maintain the stable and sound operation of its quality asset. In particular, in the first half of 2024, the occupancy rate of the Optical Valley Project in Wuhan was maintained at over 91% in terms of building office, and nearly 78% in terms of shops.

In the future, leveraging on the resource strengths of our major shareholder and adhering to stringent risk control, the Group will continue to proactively explore new business models and accelerate business transformation in a challenging external environment. We will follow the national policies to expand investment opportunities in sectors such as big health, high-tech, new energy and advanced manufacturing in a market-driven manner, maintain a stable operation of our fixed-income portfolio and high-quality assets, optimise our existing projects, and promote our development in a stable manner, with a view to creating core value for our shareholders on a long-term and sustainable basis.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

SECURITIES INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

Long Position in the shares of the Company (the "Shares")

Name of Directors	Capacity	Number of Shares held			Total	Approximate percentage of the issued Shares
		Personal interest	Family interest	Corporate interest		
Li Yao Min	Beneficial owner	8,352,672	–	–	8,352,672	0.086%
Henry Tan Song Kok	Beneficial owner	600,000	–	–	600,000	0.006%

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) to be notified to the Company and the HKEx pursuant to the Model Code.

Supplementary Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 30 June 2024, to the best of the Directors' knowledge, the following persons who (other than a Director and the chief executive of the Company) or organisations which had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO:

Long Position in the Shares

Name of substantial shareholders	Capacity	Number of Shares held			Total	Approximate percentage of the issued Shares
		Direct interest	Corporate interest	Other interests		
Xitong International ⁽¹⁾	Beneficial owner	2,917,000,000	—	—	2,917,000,000	29.99%
Wuxi Communications ⁽¹⁾	Interests of a controlled corporation	—	2,917,000,000	—	2,917,000,000	29.99%
CDBIH ⁽²⁾	Beneficial owner	2,430,921,071	—	—	2,430,921,071	24.99%
CDB Capital ⁽²⁾	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
China Development Bank Corporation ("CDB") ⁽²⁾	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
SREI	Beneficial owner	1,468,356,862	—	—	1,468,356,862	15.10%
Shi Jian ("Mr. Shi") ⁽³⁾	Beneficial owner and interests of a controlled corporation	6,104,938	1,468,356,862	—	1,474,461,800	15.16%
Jia Yun Investment Limited ("Jia Yun") ⁽⁴⁾	Person having a security interest in shares	—	—	1,027,849,803	1,027,849,803	10.57%
Jiabo Investment Limited ("Jiabo") ⁽⁴⁾	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiashun (Holding) Investment Limited ("Jiashun") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiasheng (Holding) Investment Limited ("Jiasheng") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiaxin Investment (Shanghai) Co., Ltd. ("Jiaxin") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%

Supplementary Information

Name of substantial shareholders	Capacity	Direct interest	Number of Shares held		Total	Approximate percentage of the issued Shares
			Corporate interest	Other interests		
China Minsheng Jiaye Investment Co., Ltd. ("China Minsheng Jiaye") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Investment Corp., Ltd. ("China Minsheng") ⁽⁴⁾	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%

Notes:

- (1) Xitong International is a wholly-owned subsidiary of Wuxi Communications. Wuxi Communications is, therefore, deemed under Part XV of the SFO to be interested in the 2,917,000,000 Shares held by Xitong International.
- (2) CDBIH is a wholly-owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are, therefore, deemed under Part XV of the SFO to be interested in the 2,430,921,071 Shares held by CDBIH.
- (3) Pursuant to Part XV of the SFO, Mr. Shi is deemed interested in a total of 1,474,461,800 Shares for the following reasons: (i) Mr. Shi holds 6,104,938 Shares directly; and (ii) Mr. Shi is deemed interested in 1,468,356,862 Shares held by SREI by virtue of the fact that he and his wife, Ms. Si Xiao Dong together beneficially own 81% of the issued share capital of SREI as a controlling shareholder. On 4 March 2022, the Company has confirmed with Mr. Shi that all 6,104,938 Shares held directly by him have been sold.
- (4) Jia Yun acquired the security interests of 1,027,849,803 Shares from SREI on 28 December 2017. Jia Yun is a wholly-owned subsidiary of Jiabo, which in turn, is a wholly-owned subsidiary of Jiashun. Jiashun is a wholly-owned subsidiary of Jiasheng and Jiasheng is in turn a wholly-owned subsidiary of Jiaxin. Jiaxin is a wholly-owned subsidiary of China Minsheng Jiaye, which in turn, 62.60% owned by China Minsheng. All of Jiabo, Jiashun, Jiasheng, Jiaxin, China Minsheng Jiaye and China Minsheng are, therefore, deemed under Part XV of the SFO to be interested in the 1,027,849,803 Shares of security interest held by Jia Yun. Base on the public information available to the Company, the shareholding interest of China Minsheng in China Minsheng Jiaye has been changed to 67.26%.

Supplementary Information

Save as disclosed above, the Directors are not aware of any other person who (other than a Director or the chief executive of the Company) or organisation which, as at 30 June 2024, had an interest and/or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

MOVEMENTS IN SECURITIES

There was no movement in securities of the Company during the first half of 2024. At the end of the Reporting Period, the total number of the issued Shares was 9,726,246,417.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 to the Listing Rules, except for code provision F.2.2 of the CG Code that the chairman of the Board (the “Chairman”) should attend the annual general meeting. The Chairman, Mr. Liu Yuhai, was unable to attend the 2024 AGM due to other business engagements. In the absence of the Chairman, Mr. Hu Zhiwei, an executive Director and the president of the Company, took the chair of the 2024 AGM in accordance with the articles of association of the Company to ensure effective communication with its shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, there were 89 (2023: 89) employees in the Group. During the Reporting Period, the total staff cost including Directors’ remuneration amounted to approximately RMB22.51 million (2023: RMB20.97 million). Staff remuneration packages are determined in consideration of the market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for the employees.

DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiries had been made by the Company to all Directors who have confirmed that they had complied with required standard as set out in the Model Code during the Reporting Period.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

Pursuant to Rule 13.22 of the Listing Rules, a pro forma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 30 June 2024 are as follow:

	Pro forma combined balance sheet RMB'000	Group's attributable interest RMB'000
Non-current assets	1,000,666	492,287
Current assets	1,184,295	583,542
Current liabilities	(1,236,590)	(605,057)
Non-current liabilities	(473,384)	(236,692)
	474,987	234,080

The pro forma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 30 June 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The unaudited interim condensed consolidated financial statements for the Reporting Period and this report have been reviewed by the Audit Committee.

Supplementary Information

APPRECIATION STATEMENT

It is the Board's privilege to express our gratitude to our strategic investors and shareholders for their trust and support and to offer our heartfelt thanks to all Directors, executives and staff members in the Group for their team spirit and loyalty.

By Order of the Board
China New Town Development Company Limited
Hu Zhiwei
President and Executive Director

Hong Kong, 9 August 2024

* *for identification purpose only*