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LEADING HO

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yuhui (*Chairman*)
Mr. Luo Changlin

Independent non-executive Directors

Ms. Luo Ying
Ms. Liang Yunxing
Mr. Fang Min

COMPANY SECRETARY

Ms. Yan Hoi Ling Jovian
(appointed on 30 July 2024)
Mr. So Wing Chun
(appointed on 23 February 2024 and
resigned on 30 July 2024)

AUTHORIZED REPRESENTATIVES

Mr. Liu Yuhui
Ms. Yan Hoi Ling Jovian
(appointed on 30 July 2024)
Mr. So Wing Chun
(appointed on 23 February 2024 and
resigned on 30 July 2024)

AUDIT COMMITTEE

Ms. Liang Yunxing (*Chairperson*)
Ms. Luo Ying
Mr. Fang Ming

REMUNERATION COMMITTEE

Ms. Luo Ying (*Chairperson*)
Mr. Liu Yuhui
Ms. Liang Yunxin

NOMINATION COMMITTEE

Mr. Liu Yuhui (*Chairperson*)
Ms. Luo Ying
Ms. Liang Yunxing

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wanchai, Hong Kong

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

46/F, Tower A
Leading International Finance Center
No. 151, 2nd Tianfu Street
Gaoxin District
Chengdu, Sichuan Province
PRC

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services
Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR AS TO HONG KONG LAW

Sidley Austin

PRINCIPAL BANKS

China Construction Bank
Chengdu Xinhua Branch

STOCK CODE

06999

COMPANY'S WEBSITE

www.leading-group.com

Glossary and Definition

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

“Acting in Concert Deed”	the acting in concert deed dated 18 February 2020 and executed by the Ultimate Controlling Shareholders, details of which are set out in the section headed “Relationship with Controlling Shareholders — Acting in Concert Deed” in the Prospectus
“ASP”	average selling price
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China
“Company”	Leading Holdings Group Limited (領地控股集團有限公司) (formerly known as Leading China Holdings Limited (領地中國控股有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6999)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context requires otherwise, refers to Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli and the investment holding companies controlled by them, and a Controlling Shareholder shall mean each or any one of them
“Director(s)”	the director(s) of the Company
“Fan Tai”	Fan Tai Investment Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Fu Sheng”	Fu Sheng Capital Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly-owned by Ms. Long Yiqin and is one of the Controlling Shareholders
“GFA”	gross floor area
“Group”	the Company and its subsidiaries

“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“Jin Sha Jiang”	Jin Sha Jiang Holding Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“Leading Group”	Leading Group Co., Ltd.* (領地集團有限公司) (formerly known as Meishan Baoma Real Estate Development Co., Ltd.* (眉山地區寶馬房地產開發有限公司) upon its incorporation), a company established in the PRC with limited liability on 19 April 1999 and an indirect wholly-owned subsidiary of the Company
“Lian Rong”	Lian Rong Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Liang Yuan Enterprise Management”	Liang Yuan Enterprise Management Co., Ltd.* (量源企業管理有限公司) (formerly known as Liang Yuan Asset Management Co., Ltd.* (量源資產管理有限公司)), a company established in the PRC with limited liability on 12 August 2011 which is owned as to 33.34% by Mr. Liu Songfa, 33.33% by Mr. Liu Ce and 33.33% by Mr. Liu Haowei
“Ling Yue”	Ling Yue Capital Holding Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Haowei and is one of the Controlling Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing”	the listing of the Shares on the Main Board
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Liu Ce”	Mr. Liu Ce (劉策) (formerly known as Liu Huan (劉歡)), one of the Ultimate Controlling Shareholders. He is the son of Ms. Hou Sanli
“Mr. Liu Haowei”	Mr. Liu Haowei (劉浩威), the vice president of the Group and one of the Ultimate Controlling Shareholders. He is the son of Ms. Wang Tao
“Mr. Liu Shan”	Mr. Liu Shan (劉山) (formerly known as Liu Yuxian (劉玉賢)), the spouse of Ms. Wang Tao
“Mr. Liu Yuhui”	Mr. Liu Yuhui (劉玉輝), the chairman of the Board, executive Director, chief executive officer of the Company and one of the Ultimate Controlling Shareholders. He is the spouse of Ms. Long Yiqin

Glossary and Definition

“Mr. Liu Yuqi”	Mr. Liu Yuqi (劉玉奇), the spouse of Ms. Hou Sanli
“Ms. Hou Sanli”	Ms. Hou Sanli (侯三利), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Ce
“Ms. Long Yiqin”	Ms. Long Yiqin (龍一勤), one of the Ultimate Controlling Shareholders. She is the spouse of Mr. Liu Yuhui
“Ms. Wang Tao”	Ms. Wang Tao (王濤), one of the Ultimate Controlling Shareholders. She is the mother of Mr. Liu Haowei
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 26 November 2020
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	the lawful currency of the PRC
“Rong Liang Group”	Rong Liang Group Co., Ltd.* (融量集團有限公司) (formerly known as Chengdu Shouxin Investment Co., Ltd.* (成都首信投資有限公司)), a company established in the PRC with limited liability on 10 May 2006, which is owned as to approximately 33.17% by Mr. Liu Haowei, 33.16% by Mr. Liu Yuhui, 33.16% by Mr. Liu Ce, 0.17% by Ms. Wang Tao, 0.17% by Ms. Long Yiqin and 0.17% by Ms. Hou Sanli
“San Jiang Yuan”	San Jiang Yuan Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Wang Tao and is one of the Controlling Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shan Yuan”	Shan Yuan Holdings Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Ms. Hou Sanli and is one of the Controlling Shareholders
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 16 November 2020, a summary of the principal terms and conditions of which is set forth in the section headed “Statutory and General Information — D. Other Information — 1. Share Option Scheme” in Appendix V to the Prospectus
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are to be traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange

“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Ultimate Controlling Shareholders”	Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli
“Yuan Di”	Yuan Di Capital Limited, a company incorporated in the BVI with limited liability on 29 August 2019, which is wholly owned by Mr. Liu Ce and is one of the Controlling Shareholders
“Yue Lai”	Yue Lai Investment Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Controlling Shareholders
“%”	per cent

* *for identification purpose only*

Management Discussion and Analysis

OVERVIEW AND OUTLOOK

Under the current complex and volatile economic situation, the industry is encountering many difficulties and challenges. The Group cherishes the present moment even more and actively takes consistent measures to respond to challenges. Adhering to the core criteria of ensuring delivery and offering qualified products to property owners, the Group completed delivery of approximately 10,000 houses in the first half of 2024, covering approximately 1 million square metres of delivered area.

In the second half of 2024, the Group will continue to establish a solid foundation for development and swiftly adapt to the new situation to create quality project works. It will make every effort to fulfil its delivery commitments while promoting the sales of housing units, aiming to further revitalise the funds of projects under construction to ensure completion and delivery. The Group will seek for indemnificatory housing policy support under the new national policy. The Group will actively negotiate and communicate with financial institutions to obtain policy support to ease the Group's short-term operating pressure and gradually resolve long-term risks. Furthermore, the Group remains committed to fulfilling its social responsibilities as a real estate developer.

Property Development

Contracted Sales

For the six months ended 30 June 2024, the Group recorded contracted sales of RMB2,121.0 million, representing a period-over-period decrease of 64.5% from the corresponding period of 2023.

For the six months ended 30 June 2024, total contracted GFA sold amounted to approximately 0.3 sq.m., representing a decrease of approximately 61.7% from approximately 0.8 million sq.m. for the six months ended 30 June 2023. Contracted ASP for the six months ended 30 June 2024 was approximately RMB6,817.7 per sq.m., compared with RMB7,352.3 per sq.m. for the six months ended 30 June 2023.

Contracted sales from Beijing-Tianjin-Hebei Region, Central China, Chengdu-Chongqing Economic Zone and Sichuan province, Guangdong-Hong Kong-Macau Greater Bay Area contributed to approximately 2.2%, 4.7%, 79.4% and 1.1%, respectively, of the Group's total contracted sales for the six months ended 30 June 2024.

The following table sets out the geographic breakdown of the Group's contracted sales for the six months ended 30 June 2024.

	Contracted GFA Sold <i>(sq.m.)</i>	Contracted Sales <i>(RMB'000)</i>	Contracted ASP <i>(RMB/sq.m.)</i>	% of Contracted Sales <i>(%)</i>
Beijing-Tianjin-Hebei Region	7,063.4	45,953.8	6,505.9	2.2
Central China	21,689.1	98,996.0	4,564.3	4.7
Chengdu-Chongqing Economic Zone and Sichuan province	235,223.4	1,684,552.6	7,161.5	79.4
Guangdong-Hong Kong-Macau Greater Bay Area	2,881.5	23,452.6	8,139.0	1.1
Other Regions ⁽¹⁾	44,242.0	268,024.4	6,058.1	12.6
Total	311,099.4	2,120,979.4	6,817.7	100.0

Note:

- (1) Other Regions include Changchun of Jilin province, Urumqi and Korla of Xinjiang Uyghur Autonomous Region, Zunyi and Kaili of Guizhou province, which are not in the Group's key regions.

Revenue Recognized from Sales of Properties

Revenue from sales of properties of the Group decreased by 35.3% from approximately RMB6,932.9 million for the six months ended 30 June 2023 to approximately RMB4,486.7 million for the six months ended 30 June 2024, accounting for 98.4% of the Group's total revenue. The Group's recognized ASP from sales of properties decreased from approximately RMB7,427 per sq.m. for the six months ended 30 June 2023 to approximately RMB7,385 per sq.m. for the six months ended 30 June 2024. It is mainly due to the overall downturn of the industry. The Company has taken the measures of price reduction and promotion to boost sales and ensure cash flow.

Management Discussion and Analysis

The following table sets forth the details of the revenue recognized from the sales of properties of the Group by geographical location for the periods indicated.

	Recognized Revenue from Sale of Properties		% of Recognized Revenue from Sale of Properties		Total GFA Recognized		Recognized ASP	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2024 (RMB'000)	2023 (RMB'000)	2024 %	2023 %	2024 sq.m.	2023 sq.m.	2024 RMB/sq.m.	2023 RMB/sq.m.
Beijing-Tianjin-Hebei Region	19,735	16,097	0.4%	0.2%	3,063	2,354	6,444	6,839
Central China	281,039	377,093	6.3%	5.4%	65,070	68,818	4,319	5,480
Chengdu-Chongqing Economic Zone and Sichuan province	1,995,408	5,386,624	44.5%	77.7%	256,108	725,879	7,791	7,421
Guangdong-Hong Kong-Macau Greater Bay Area	56,556	257,583	1.3%	3.7%	5,213	28,586	10,848	9,011
Other Regions	2,133,965	895,528	47.6%	13.0%	278,065	107,882	7,674	8,301
Total	4,486,703	6,932,925	100.0%	100.0%	607,519	933,519	7,385	7,427

The following table sets forth the revenue from sale of properties and ASP by type of properties for the periods indicated.

	Recognized Revenue from Sale of Properties		% of Recognized Revenue from Sale of Properties		Total GFA Recognized		Recognized ASP	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	2024 (RMB'000)	2023 (RMB'000)	2024 %	2023 %	2024 sq.m.	2023 sq.m.	2024 RMB/sq.m.	2023 RMB/sq.m.
Residential	3,768,954	6,553,622	84.0%	94.5%	518,793	864,240	7,265	7,583
Commercial	644,647	272,656	14.4%	3.9%	39,170	25,743	16,458	10,592
Car Parks	73,101	106,647	1.6%	1.6%	49,556	43,536	1,475	2,450
Total	4,486,703	6,932,925	100.0%	100.0%	607,519	933,519	7,385	7,427

Completed Properties Held for Sale

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As at 30 June 2024, the Group had completed properties held for sale of RMB4,443.6 million, representing a 24.0% decrease from RMB5,846.2 million as at 31 December 2023. The decrease was mainly due to the slowdown in construction progress as a result of the industry downturn. The Group has obtained the construction completion certificates in respect of all completed properties held for sale.

Properties under Development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 30 June 2024, the Group had properties under development of RMB13,420.4 million, representing a 12.3% decrease from RMB15,301.8 million as at 31 December 2023. The decrease was primarily due to decrease in the number of projects to be developed by the Group in 2024.

Property Investment

Commercial Property Operations

For the six months ended 30 June 2024, revenue from commercial property operations of the Group amounted to approximately RMB39.6 million, representing a decrease of 29.4% as compared to that of approximately RMB56.0 million for the six months ended 30 June 2023, mainly attributable to the impact of the economic downturn.

Investment Properties

As at 30 June 2024, the Group had 8 investment properties with a total leasable GFA of approximately 291,394 sq.m. Among such investment properties portfolio of the Group, investment properties with a total GFA of approximately 223,813 sq.m. had commenced leasing.

LAND BANK

As at 30 June 2024, the total GFA of land reserves of the Group was approximately 8,998,928 sq.m.. The following table sets forth a summary of the Group's property interests as at 30 June 2024:

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
Properties developed by the Group and its subsidiaries								
1	Chengdu Yipin Center	Chengdu	100%	Commercial/Carpark/Others	20,534	31 December-2026	141,509	Within the planned red line of Chadianzi Yipintianxia Street, Jinniu District, Chengdu City, Sichuan Province
2	Chengdu Xishan Lantai	Chengdu	100%	Residential/Carpark/Ancillary/Others	34,756	25 May-2021	13,063	No. 988, Huaxin Avenue, Baihe Town, Longquanyi District, Chengdu City, Sichuan Province
3	Chengdu Yue Center	Chengdu	99%	Residential/Commercial/Carpark/Ancillary/Others	27,400	20 May-2022	11,749	No. 521, East Section of Industrial Avenue, Xindu District, Chengdu City, Sichuan Province
4	Chongqing Leading Guanyun House	Chongqing	99%	Residential/Carpark/Ancillary/Others	40,372	10 November-2021	18,045	No. N23/03, N District, Jieshizutuan, Banan, Chongqing City
5	Leshan Qingjiang Lantai Mansion	Leshan	99%	Residential/Commercial/Carpark/Ancillary/Others	50,000	25 December-2020	7,469	No. 533 Ruihan Road, Shizhong District, No. 1065 Taibai Road, Shizhong District, Leshan City, Sichuan Province
6	Chengdu Tianfu Lantai Mansion (Xinlong)	Chengdu	98%	Residential/Commercial/Carpark/Ancillary/Others	159,963	09 December-2022	44,780	Group 2, 5, 6, Yangliu Village and Group 2, Liuhe Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
7	Chengdu Tianfu Lantai Mansion (Jingyang)	Chengdu	100%	Residential/Carpark/Ancillary/Others	38,967	30 November-2021	22,507	Group 2, 3, Yangliu Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
8	Chengdu Haina Shidai	Chengdu	99%	Residential/Commercial/Carpark/Ancillary/Others	41,822	28 February-2017	14,283	Zhili Road and Zhixinger Road, Chengdu City, Sichuan Province
9	Chengdu Lantai House	Chengdu	99%	Residential/Carpark/Others	40,897	30 October-2020	13,681	No. 1555, Guoning West Road, Hongguang Town, Pidu District, Chengdu City, Sichuan Province
10	Chengdu Leading Tianyu	Meishan	100%	Residential/Commercial/Carpark/Ancillary/Others	57,523	12 December-2023	16,752	Diagonally opposite to Volkswagen 4S Store, Renshou Avenue, Renshou County, Chengdu City, Sichuan Province
11	Pengshan Guanjiang Mansion	Meishan	80%	Residential/Commercial/Carpark/Ancillary/Others	71,770	31 March-2023	44,301	Binjiang Avenue, Pengshan District, Meishan City, Sichuan Province
12	Panzhuhua Leading Yangguang Flower City	Panzhuhua	100%	Residential/Commercial/Carpark/Ancillary/Others	186,791	31 December-2024	104,959	Garbatang Area, Huacheng New District, Panzhuhua City, Sichuan Province
13	Xichang Leading Lantai House	Xichang	51%	Residential/Commercial/Carpark/Ancillary/Others	99,752	24 May-2019	3,157	Xijiao Yaoshan Village, North of Nanshan Avenue, South of Haihe Road, Xichang City, Sichuan Province
14	Xichang Leading Triumph International Mansion	Xichang	83%	Residential/Commercial/Carpark/Ancillary/Others	33,287	31 January-2017	917	No. 599, Section 5, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
15	Xichang Leading Jinxiu Lantai Mansion	Xichang	96%	Residential/Commercial/Carpark/Ancillary/Others	62,578	31 December-2027	115,791	Near Zhonghang East Road, West New City, Xichang City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
16	Urumchi Leading Lantai House	Urumchi	95%	Residential/Commercial/ Carpark/Ancillary/Others	103,928	31 December-2027	135,449	No. 616, Junggar Street, East of Suzhou Road, Urumqi City, Xinjiang Uygur Autonomous Region
17	Urumchi Leading Tianyu	Urumchi	100%	Residential/Commercial/ Carpark/Ancillary/Others	115,428	31 December-2027	128,718	South of Hongguangshan Road, Shuimogou District, Urumqi City, Xinjiang Uygur Autonomous Region
18	Korla Leading Lantai House	Korla	100%	Residential/Commercial/ Carpark/Ancillary/Others	63,624	15 October-2020	5,376	Leading Triumph Mansion, near southwest No. 6 Shihua Avenue, No. 5 Community, Construction Area, Korla City, Bayingolin, Xinjiang Uygur Autonomous Region
19	Korla Leading Triumph Mansion	Korla	85%	Residential/Commercial/ Carpark/Ancillary/Others	87,933	31 December-2027	28,595	(Next to Peacock Park) No. 6 Shihua Avenue, Korla, Xinjiang Uygur Autonomous Region
20	Chengteh Lantai House	Chengteh	40%	Residential/Commercial/ Carpark/Ancillary/Others	53,279	30 July-2020	1,856	Yuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
21	Chengteh Lantai House Yunshang & Jinyuan	Chengteh	50%	Residential/Commercial/ Ancillary/Others	62,969	31 December-2024	70,868	Sicaigou B, Dayuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
22	Chengteh Lantai House Yueshan	Chengteh	51%	Residential/Commercial/ Carpark/Ancillary/Others	34,981	01 April-2023	6,833	Yuanbao Mountain, Shuangluan District, Chengde City, Hebei Province
23	Jilin Triumph Mansion	Changchun	55%	Residential/Commercial/ Carpark/Ancillary/Others	132,188	22 May-2020	125	Xincheng West Street, Jingyue Development Zone, Changchun City, Jilin Province
24	Xingyang Leading Tianyu	Xingyang	70%	Residential/Commercial/ Carpark/Ancillary/Others	29,396	31 December-2021	36,702	Northwest of the intersection of Jingcheng Road and Gongye East Road, Xingyang City, Zhengzhou City, Henan Province
25	Shangqiu Leading Lantai House	Shangqiu	51%	Residential/Commercial/ Carpark/Ancillary/Others	59,698	31 December-2027	111,586	North of Xiwang Road, south of Nanjing Road, west of Shangqiu City Road (Planning), East of Zhenxing Road, Henan Province
26	Zhumadian Royal Lantai Mansion Phase I	Zhumadian	70%	Residential/Commercial/ Carpark/Ancillary/Others	182,936	31 December-2021	153,022	Northwest of the intersection of Tianzhongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
27	Zhumadian Royal Lantai Mansion Phase II	Zhumadian	70%	Residential/Carpark/Ancillary/ Others	70,590	31 December-2030	200,882	Northeast of the intersection of Zhangtai Avenue and Jianshe Avenue, Zhumadian City, Henan Province
28	Zhumadian Royal Lantai Mansion Phase III	Zhumadian	70%	Residential/Carpark/Ancillary/ Others	75,863	31 December-2030	50,811	Southwest of the intersection of Lizhuang Road and Chunliu Road, Zhumadian City, Henan Province
29	Zhumadian Royal Lantai Mansion Phase IV	Zhumadian	70%	Residential/Carpark/Ancillary/ Others	168,489	31 December-2027	253,504	Northeast corner of the intersection of Tongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
30	Zhumadian Royal Lantai Mansion Phase V	Zhumadian	70%	Residential/Commercial/ Carpark/Ancillary/Others	156,270	31 December-2030	181,271	The southeast side of the intersection of Lizhuang Road and Chunliu Road, and the northwest side of the intersection of Zhangtai Road and Jianshe, Zhumadian City, Henan Province
31	Jingzhou Leading Lantai House	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	54,070	28 September-2021	11,714	Northwest of the intersection of Chutian Road and Dongqiao Road, Jingbei New District, Jingzhou District, Jingzhou City, Hubei Province

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
32	Jingzhou Leading Fengming Lantai Mansion	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	48,399	14 July-2022	8,660	No.66, Fengming Avenue, Jingzhou District, Jingzhou City, Hubei Province
33	Leshan Haina Mansion	Leshan	51%	Residential/Commercial/ Carpark/Ancillary/Others	36,200	05 January-2016	1,141	No.1589 Muyuan Road, Muchuan County, Leshan City, Sichuan Province
34	Leshan Lantai House	Leshan	59%	Residential/Commercial/ Carpark/Ancillary/Others	88,108	31 December-2021	19,008	East of the intersection of Sansu Road and Ruixiang Road, Qingjiang New District, Shizhong District, Leshan City, Sichuan Province
35	Leshan Tianyu	Leshan	50%	Residential/Commercial/ Carpark/Ancillary	29,796	01 March-2020	228	Intersection of Hanlin Road and Fenghuang Road, Tongjiang District, Leshan City, Sichuan Province
36	Leshan Lanshan	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/Others	89,630	01 October-2021	4,898	No. 881, Section 1, Ruixiang Road, Leshan City, Sichuan Province
37	Leshan International Mansion	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/Others	127,204	17 May-2019	884	Taoyuan New Village, Mouzi Town, Shizhong District, Leshan City, Sichuan Province
38	Meishan Triumph International Mansion	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/Others	256,303	27 November-2020	24,412	Southwest corner of the intersection of Hubin Road and Meizhou Avenue, Meishan City, Sichuan Province
39	Meishan Triumph Square	Meishan	79%	Residential/Commercial/ Carpark/Ancillary	73,976	19 May-2015	90	Northeast of the intersection of Suyuan Road and Dongpo Avenue, Dongpo District, Meishan City, Sichuan Province
40	Meishan Huayu Phase II	Meishan	99%	Residential/Commercial/ Carpark/Ancillary/Others	9,102	03 June-2020	1,629	Southeast corner of the intersection of Suyuan Road and Chongguang Street, Meishan City, Sichuan Province
41	Meishan Triumph International Mansion Phase II	Meishan	57%	Residential/Commercial/ Carpark/Ancillary/Others	39,838	30 July-2019	183	Northeast of the intersection of Jiangxiang Road and Qingyihang, Dongpo District, Meishan City, Sichuan Province
42	Haifeng Tianyu	Shanwei	100%	Residential/Commercial/ Carpark/Ancillary/Others	35,774	16 December-2023	39,107	Plot KJC-B07, Ecological Technology City, Haifeng County, Shanwei City, Guangdong Province
43	Huizhou Lantai House	Huizhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	83,840	30 March-2023	46,200	West of Jinquan Road, Xincheng, North Railway Station, Huicheng District, Huizhou City, Guangdong Province
44	Foshan Haina Longting	Foshan	51%	Residential/Commercial/ Carpark/Others	36,943	30 August-2017	434	the north side of Qinggong Road and the east side of Dayong, North and South, Chancheng District, Foshan Guangdong Province
45	Foshan Haina Juntong	Foshan	100%	Residential/Commercial/ Carpark/Ancillary/Others	20,536	01 April-2017	75	West Guangyun Chantan Cross Road, Zhenli, Dali, Nanhai District, Guangdong Province
46	Mianyang Tianyu	Mianyang	65%	Residential/Commercial/ Carpark/Ancillary/Others	26,140	31 March-2020	5,121	No. 2, Hongqiao Road, Chengnan New District, Mianyang City, Sichuan Province
47	Mianyang Lantai House	Mianyang	61%	Residential/Commercial/ Carpark/Ancillary/Others	56,060	20 August-2020	8,695	No. 94, Sanxing Road, Youxian District, Mianyang City, Sichuan Province
48	Nanchong Lantai House	Nanchong	99%	Residential/Carpark/Ancillary/ Others	59,774	20 April-2022	65,480	No. 118, Maoyuan South Road, Shunqing District, Nanchong City, Sichuan Province
49	Nanchong Tianyu	Nanchong	51%	Residential/Commercial/ Carpark/Ancillary/Others	25,053	17 November-2020	14,979	No. 561, Jinyuling Road, Shunqing District, Nanchong City, Sichuan Province
50	Ya'an Yunjing	Ya'an	100%	Residential/Commercial/ Carpark/Ancillary	30,184	06 November-2020	10,453	Daxing Town, Yucheng District, Ya'an City, Sichuan Province

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
51	Ya'an Guanjiang Mansion	Ya'an	99%	Residential/Commercial/Carpark/Ancillary	39,149	23 November-2020	13,581	Qianjin Village, Daxing Town, Yucheng District, Ya'an City, Sichuan Province
52	Ya'an Tianyu	Ya'an	53%	Residential/Commercial/Carpark/Ancillary	18,253	12 September-2019	8,127	Yazhou Avenue, Yucheng District, Ya'an City, Sichuan Province
53	Ya'an Lantai House	Ya'an	51%	Residential/Commercial/Carpark/Ancillary	43,790	02 February-2021	21,109	No. 6, Ankang Road, Yucheng District, Ya'an City, Sichuan Province
54	Ya'an Lantai House Phase III 3	Ya'an	99%	Residential/Commercial/Carpark/Ancillary/Others	53,520	15 September-2021	26,020	Plot 2-12, Daxing District, Yucheng District, Ya'an City, Sichuan Province
55	Mianyang Guanjiang Mansion	Mianyang	100%	Residential/Commercial/Carpark/Others	134,016	31 December-2027	405,308	Putisi Village, Ningxiang Temple Neighborhood Committee, High-tech Zone, Mianyang City, Sichuan Province
56	Mianyang Leading Dongyuan Yue Town	Mianyang	50%	Residential/Commercial/Carpark/Ancillary/Others	116,755	30 June-2023	165,620	C, Dengta Community, Qingyi Town, Fucheng District, Mianyang City, Sichuan Province
57	Ya'an Yuejiangting	Ya'an	51%	Residential/Commercial/Carpark/Ancillary/Others	16,674	21 October-2021	10,758	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
58	Xichang Tianyu	Xichang	99%	Residential/Commercial/Carpark/Ancillary/Others	26,935	15 January-2023	4,525	Near Section 1 of Linhuanhai Road, Chengdongchuanxing, Xichang City, Sichuan Province
59	Kaili Leading Tianyu	Kaili	99%	Residential/Commercial/Carpark/Ancillary/Others	251,148	31 December-2027	769,467	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
60	Chengdu Xindu Yue House	Chengdu	100%	Residential/Commercial/Carpark/Ancillary/Others	310,866	30 August-2024	393,882	No. 600, East Section of Xueyuan Road, Xindu District, Chengdu City, Sichuan Province
61	Luzhou Lantai House	Luzhou	96%	Residential/Commercial/Carpark/Ancillary/Others	52,767	28 February-2023	45,634	East side of Changjiang Primary School, Shawan District, Luzhou City, Sichuan Province
62	Chengdu Tianfu Kangcheng (Duneng)	Chengdu	95%	Residential/Commercial/Carpark/Ancillary	90,121	31 December-2028	230,170	East of Huanhu East Road, Shigao Town, Renshou County
63	Chengdu Tianfu Kangcheng (Shengyu)	Chengdu	95%	Commercial/Carpark/Ancillary/Others	60,638	31 December-2028	271,425	East of Huanhu East Road, Shigao Town, Renshou County
64	Chengdu Tianfu Kangcheng (Yuandi)	Chengdu	95%	Residential/Commercial/Carpark/Ancillary	85,773	31 December-2028	269,675	East of Huanhu East Road, Shigao Town, Renshou County
65	Urumqi Jinshang Lantai Mansion	Urumchi	60%	Residential/Commercial/Carpark/Ancillary/Others	27,059	10 May-2024	10,631	East of Liyushan Road, High-tech Zone, Urumqi City
66	Urumchi Tianjing Yunzhu	Urumchi	100%	Residential/Commercial/Carpark/Ancillary/Others	30,178	10 January-2024	23,796	Main Road, Changchun Middle Road, Urumqi City
67	Nanchong Jinwei Leading Yue Town	Nanchong	45%	Residential/Commercial/Carpark/Ancillary/Others	90,142	30 June-2025	151,805	Plot 2 on the east side of Financial Avenue, North New City, Shunqing District, Nanchong City
68	Guangyuan Leading City	Guangyuan	100%	Residential/Commercial/Carpark/Ancillary	290,480	31 December-2027	304,563	Located on the east side of Kangyang Avenue in Heishipo Forest Park and the north side of Qiaoge Road in Xuefeng Office, Lizhou District, Guangyuan City
69	Panzhuhua Ruxiang Flower City	Panzhuhua	51%	Commercial/Carpark/Ancillary	10,562	31 March-2023	27,802	Ganbatang Area, Huacheng New District, Panzhuhua City
70	Chengdu Leading Guanjiang House	Dujiangyan	99%	Residential/Commercial/Carpark/Ancillary/Others	78,475	31 December-2024	153,896	North of Baishui East Road, East of Shangshan East Road, Dujiangyan City, Sichuan Province

Management Discussion and Analysis

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
71	Suining Taoli County	Suining	34%	Residential/Commercial/ Carpark/Ancillary/Others	30,808	30 March-2023	43,760	East of Suizhou North Road, North of Hongqiao East Street, Suining Economic Development Zone, Sichuan Province
72	Xichang Leading Guanyuan	Xichang	69%	Residential/Commercial/ Carpark/Ancillary/Others	90,531	30 March-2025	77,745	The southeast area of the downtown, Xichang City, Sichuan Province
73	Luohe Lishang Lantai	Luohe	50%	Residential/Commercial/ Carpark/Ancillary/Others	109,724	31 December-2027	277,447	West of High-speed Railway Bridge, on the north side of Shali Industry Cluster, South of Lihe, Luohe City, Henan Province
74	Chengdu Leading Hexing Lifu Lantai Mansion	Pengzhou	50%	Residential/Commercial/ Carpark/Ancillary/Others	64,309	10 January-2024	38,044	Qingyang Village, Zhihe Town, Pengzhou City, Sichuan Province
75	Chengdu Huguang Heyue	Pengzhou	50%	Residential/Commercial/ Carpark/Ancillary	41,343	30 November-2023	47,721	South side of Section 1, Huanhu Road, West side of Kaixuan Avenue, Zhihe Street, Pengzhou City, Sichuan Province
76	Leshan Biguiyuan Leading Tangyue Lantai	Leshan	99%	Residential/Commercial/ Carpark/Ancillary	56,197	31 December-2024	117,273	South side of Tanmu South Street, Central District, Leshan City, Sichuan Province
77	Mianyang Leading City	Mianyang	51%	Residential/Commercial/ Carpark/Ancillary	509,352	27 January-2030	1,388,128	Longmen Town, Fucheng District, Mianyang City, Sichuan Province
78	Leshan Lanshan Yue	Leshan	99%	Residential/Commercial/ Carpark/Ancillary	25,560	10 August-2023	10,181	North side of Changqing Road, west side of Ruixiang Road, Qingjiang Area, Leshan, Sichuan Province
79	Wuhan Leading Yinbao City	Wuhan	51%	Residential/Commercial/ Carpark/Ancillary	22,131	30 December-2025	110,233	Fangcao Road, Wuhan City
80	Mianyang Yue Garden	Mianyang	100%	Residential/Commercial/ Carpark/Ancillary	36,411	01 June-2026	81,350	Science and Innovation Park, Mianyang City, Sichuan Province
81	Pengzhou Jinxiu Tianchen	Chengdu	51%	Residential/Commercial/ Carpark/Ancillary	23,217	30 November-2024	64,877	East of Binhe North Road, Tianpeng Street, north of North Section of Mudan Avenue, Pengzhou City
82	Xindu Yueyinge	Chengdu	50%	Residential/Commercial/ Carpark/Ancillary/Others	35,238	30 March-2025	159,447	Xiaolin Village, Xindu Town
83	Emei Lotus Lake	Leshan	70%	Residential/Commercial/ Carpark/Ancillary/Others	247,377	01 September-2029	216,495	Shili Village, Shengli Town, Emeishan City; Penggui Village, Guihuaqiao Town, Emeishan City, Sichuan Province
84	Xichang Nanshan House	Xichang	89%	Residential/Commercial/ Carpark/Ancillary/Others	66,322	30 June-2024	62,270	Zhangjiatun Village, Xijiao Township, Xichang City, Sichuan Province
85	Xichang Jinxiu Xuefu	Xichang	89%	Residential/Commercial/ Carpark/Ancillary/Others	17,385	30 December-2026	51,979	Lot A-14, West New City, Xichang City, Sichuan Province
Subtotal					6,794,120		8,256,693	

No.	Project Names	City	Interest Attributable to the Group	Primary Intended Use	Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
Properties developed by the associates and joint ventures of the Company								
1	Leshan Emei the Grand Sight	Leshan	61%	Commercial/Ancillary	50,302	21 January-2021	12,620	North of Exiu Lake, Emeishan City, Sichuan Province
2	Zhangjiakou Yuanjun Manting Fangyuan	Zhangjiakou	34%	Residential/Commercial/Carpark/Ancillary/Others	170,592	31 December-2027	90,411	Shalingzi Town, Xuanhua District, Zhangjiakou City, Hebei Province
3	Ya'an Tianrun	Ya'an	51%	Residential/Commercial/Carpark/Ancillary	15,530	29 May-2020	3,434	Chenghou Road, Yucheng District, Ya'an City, Sichuan Province
4	Ya'an Tianlu Bay	Ya'an	34%	Residential/Commercial/Carpark/Ancillary/Others	70,140	27 December-2021	52,818	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
5	Shenzhen Tianyu Garden	Shenzhen	50%	Residential/Commercial/Carpark/Ancillary	20,652	30 June-2024	58,915	Northwest of the intersection of Pingan Road and Zhanguai Road, Guanlan Street, Longhua District, Shenzhen City
6	Leshan Hengbang Shuanglin Global Center	Leshan	5%	Residential/Office/Commercial/Carpark/Ancillary	31,632	04 June-2021	2,693	The junction of Fenghuang Road and Boyang Road, Central District, Leshan City, Sichuan Province
7	Nantong Longteng Hua House	Nantong	3%	Residential/Commercial/Carpark/Ancillary/Others	125,950	31 December-2025	8,268	North of Dongxinghu Avenue, Longteng Road, Nantong City, Jiangsu Province
8	Nanchong Tianjing No.1 District	Nanchong	33%	Residential/Carpark/Ancillary	51,155	31 December-2030	48,703	Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province
9	Nanchong Tianjing No.2 District	Nanchong	33%	Residential/Commercial/Carpark/Ancillary/Others	45,567	31 December-2030	35,730	No. 2021-b-9 Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province
10	Zhangjiajie Xinsong Leading Robot Happy Town	Zhangjiajie	35%	Residential/Commercial/Carpark/Ancillary	77,783	31 December-2027	96,583	East to Huatian Phase I, on the south side of Binhe Road, on the north side of Indigo Plaza, on the west side of Yingbin Road, Guanliping Office, Yongding District, Zhangjiajie City
11	Chengdu Tianfu Leading Town	Chengdu	50%	Residential/Commercial/Carpark/Ancillary/Others	271,501	31 December-2027	332,061	(No. 18, Section 2, Shengwu Cheng Middle Road, Shuangliu District) Tianfu International Biological City, Chengdu City, Sichuan Province
	Subtotal				930,804		742,235	
	Total				7,724,924		8,998,928	

Note:

- (1) Total GFA of the Group's land bank includes (i) GFA available for sale and total leasable GFA for completed properties, (ii) GFA for properties under development and (iii) GFA for properties held for future development. For projects that are owned by the joint ventures and associates of the Group, the total GFA will be adjusted by our equity interest in the respective project.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2024, the Group derived its revenue from four business lines, namely (i) sale of properties; (ii) commercial property operations; (iii) hotel operations; and (iv) project management.

Revenue of the Group decreased by 35.1% from approximately RMB7,025.0 million for the six months ended 30 June 2023 to approximately RMB4,558.0 million for the six months ended 30 June 2024, mainly due to the sluggish sales in the real estate industry. The following table sets forth the details of the Group's total revenue by business line for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	%	(RMB'000)	%
Sale of properties	4,486,703	98.4%	6,932,925	98.7%
Commercial property operations	39,559	0.9%	56,044	0.8%
Hotel operations	24,347	0.5%	25,187	0.4%
Project management	7,411	0.2%	10,877	0.1%
Total	4,558,020	100.0%	7,025,033	100.0%

Sale of Properties

Revenue from property sales of the Group decreased by 35.3% from approximately RMB6,932.9 million for the six months ended 30 June 2023 to approximately RMB4,486.7 million for the six months ended 30 June 2024, mainly attributable to the general sales downturn in the real estate industry.

Commercial Property Operations

For the six months ended 30 June 2024, revenue from commercial property operations of the Group amounted to approximately RMB39.6 million, representing a decrease of 29.4% as compared to that of approximately RMB56.0 million for the six months ended 30 June 2023, mainly attributable to the impact of the economic downturn.

Hotel Operations

Revenue from hotel operations of the Group decreased by 3.3% from approximately RMB25.2 million for the six months ended 30 June 2023 to approximately RMB24.3 million for the six months ended 30 June 2024, remaining stable.

Project Management

Revenue from project management of the Group decreased by 31.9% from approximately RMB10.9 million for the six months ended 30 June 2023 to approximately RMB7.4 million for the six months ended 30 June 2024, primarily due to decrease in the Group's project management work.

COST OF SALES

The Group's cost of sales primarily represents the costs it incurs directly for the property development activities as well as its commercial property, hotel and project management operations. The principal components of cost of sales for property development include cost of properties sold, which represents direct construction costs, land acquisition costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The cost of sales of the Group decreased by 33.4% from approximately RMB6,041.8 million for the six months ended 30 June 2023 to approximately RMB4,024.1 million for the six months ended 30 June 2024, which was in line with the decrease of revenue due to the downturn of the market.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, gross profit of the Group was approximately RMB983.2 million for the six months ended 30 June 2023, and approximately RMB533.9 million for the six months ended 30 June 2024.

Gross profit margin of the Group was at approximately 11.7% for the six months ended 30 June 2024 and approximately 14.0% for the six months ended 30 June 2023, respectively.

OTHER INCOME

The Group's other income and gains primarily consist of interest income, management consulting service fees, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. The commercial compensation primarily represents (i) liquidated damages the Group received from property purchasers who defaulted on the payments due pursuant to their purchase agreements with the Group; and (ii) liquidated damages the Group received from the Group's property-developer business partners who breached their contracts with the Group.

Other income of the Group amounted to approximately RMB16.2 million for the six months ended 30 June 2024, compared with approximately RMB48.5 million for the six months ended 30 June 2023, representing a decrease of 66.5%.

SELLING AND MARKETING EXPENSES

The Group's selling and marketing expenses mainly include advertising and marketing fees that the Group incurs in connection with the Group's pre-sales of properties, including the commission fees paid to third-party sales agents, as well as advertising and marketing fees incurred in relation to the leasing of the commercial properties the Group operates and manages.

Selling and marketing expenses of the Group decreased by 55.1% from approximately RMB472.9 million for the six months ended 30 June 2023 to approximately RMB212.2 million for the six months ended 30 June 2024, primarily due to the decrease in the sales.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses primarily include costs for management and administrative staff.

Administrative expenses of the Group decreased by 26.2% from approximately RMB185.6 million for the six months ended 30 June 2023 to approximately RMB136.9 million for the six months ended 30 June 2024, mainly due to the decrease in the number of the Company's employees of the administrative and management department from 490 as at 30 June 2023 to 340 as at 30 June 2024.

FAIR VALUE LOSSES ON INVESTMENT PROPERTIES

The Group develops and holds certain commercial areas in our properties on a long-term basis for rental, operating income or capital appreciation.

The Group recorded fair value losses on investment properties in the amount of approximately RMB276.1 million for the six months ended 30 June 2024, as compared to fair value losses on investment properties in the amount of approximately RMB80.0 million for the six months ended 30 June 2023. The change is primarily due to continued decrease in rentals for certain investment properties in 2024.

FINANCE COSTS

The Group's finance costs mainly represents the Group's interest expenses on bank and other borrowing as well as interest from a significant financing component of contract liabilities, which is related to the pre-sale deposits the Group received from its customers, less capitalized interest relating to properties under development.

Finance costs of the Group for the six months ended 30 June 2024 was approximately RMB97.6 million, representing a decrease of 32.7% as compared to the same period last year, mainly due to continued decrease in the financing balance (six months ended 30 June 2023: RMB145.1 million).

SHARE OF PROFITS AND LOSSES OF JOINT VENTURES AND ASSOCIATES

The Group recorded share of profits of joint ventures in the amount of approximately RMB56.0 million for the six months ended 30 June 2024, as compared to share of profits of joint ventures in the amount of approximately RMB13.9 million for the six months ended 30 June 2023. The change was mainly due to the increase in realized profit on delivery of properties by some of the joint ventures during the six months ended 30 June 2024.

The Group recorded share of losses of associates in the amount of approximately RMB0.04 million for the six months ended 30 June 2024, as compared to share of losses of associates in the amount of approximately RMB3.6 million for the six months ended 30 June 2023.

INCOME TAX EXPENSES

Income tax expenses represent corporate income tax and LAT payable by the Group's subsidiaries in the PRC.

Income tax expenses of the Group increased by 52.4% from approximately RMB210.1 million for the six months ended 30 June 2023 to approximately RMB320.1 million for the six months ended 30 June 2024, primarily due to the increase in the land value-added tax as a result of the delivery of some high-margin projects during the six months ended 30 June 2024.

LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024

As a result of the foregoing, the Group recorded a loss for the period of approximately RMB756.4 million for the six months ended 30 June 2024, as compared to a loss for the period of approximately RMB93.6 million for the six months ended 30 June 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Property development requires substantial capital investment for land acquisition and construction, and it may take many months or years before positive cash flow can be generated. As at 30 June 2024, the Group has funded its growth principally from cash generated from operations of the Group and borrowings from banks, and trust and other financings.

The Group intends to continue to monitor its development and construction schedules, property sales and land acquisition plans based on the cash inflow associated with existing and planned external financing opportunities, including but not limited to the issuance of corporate bonds or other debt offerings and property sales proceeds.

CASH POSITION

As at 30 June 2024, the Group had cash and bank balances of approximately RMB1,803.3 million (31 December 2023: RMB2,006.6 million), pledged deposits of approximately RMB941.3 million (31 December 2023: RMB598.8 million) and restricted cash of approximately RMB141.5 million (31 December 2023: RMB96.4 million).

INDEBTEDNESS

As at 30 June 2024, the Group had total indebtedness, including interest-bearing bank and other borrowings, senior notes and lease liabilities, amounted to approximately RMB5,485.0 million (31 December 2023: approximately RMB7,097.6 million), of which RMB4,768.6 million was carried at fixed rates.

The following table sets forth the components of the Group's indebtedness as at the dates indicated:

	As at 30 June	
	2024	2023
	(RMB'000)	(RMB'000)
Non-current		
Bank loans — secured	1,709,478	3,765,700
Bank loans — unsecured	—	—
Other loans — secured	341,490	797,103
Other loans — unsecured	—	—
Non-current portion of lease liabilities	5,178	9,094
Current		
Bank loans — secured	—	—
Other loans — secured	—	—
Other loans (securities) — unsecured	864,808	877,482
Current portion of lease liabilities	3,916	6,022
Current portion of long term bank loans — secured	1,318,005	853,222
Current portion of long term other loans — secured	1,242,140	1,732,139
Total indebtedness	5,485,015	8,040,762

Note:

- (1) Other loans include financing arrangement with trust companies, asset management companies, other financial institutions and other third-party companies.

The following table sets forth the maturity profiles of the Group's bank and other borrowings as at the dates indicated:

	As at 30 June	
	2024	2023
	(RMB'000)	(RMB'000)
Bank and other borrowings:		
Repayable within one year	2,560,145	2,585,361
Repayable in the second year	35,850	2,479,161
Repayable within two to five years	500,640	991,496
Repayable over five years	1,514,478	1,092,146
Total	4,611,113	7,148,164

GEARING RATIO

The net gearing ratio (as calculated by total borrowings, including interest-bearing bank and other borrowings, less cash and bank balances divided by total equity as at the end of the respective period) was approximately 2.13 times as at 30 June 2024 (31 December 2023: approximately 1.93 times). The increase in the net gearing ratio as at 30 June 2024 was mainly due to decrease in net assets.

The Group has no significant concentrations of credit risk in view of its large number of customers. The credit risk of the Group's other financial assets, which mainly comprise restricted cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Directors do not expect any significant losses from non-performance of these counterparties.

FOREIGN EXCHANGE RISKS

The Group mainly operates its business in the PRC, and substantially all of its revenue and expenses are denominated in RMB. As at 30 June 2024, among the Group's cash at bank and on hand and senior notes, RMB0.5 million and RMB864.8 million, was denominated in US dollars, respectively, such amount was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

INTEREST RATE RISK

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and use variable rate bank borrowings and other borrowings to manage its interest cost.

PLEDGE OF ASSETS

As at 30 June 2024, certain of the Group's bank and other borrowings are secured by the pledges of the Group's assets with carrying values of approximately RMB8,235.4 million (31 December 2023: approximately RMB12,349.9 million) which include (i) property, plant and equipment; (ii) land use right; (iii) investment properties; (iv) properties under development; and (v) completed properties held for sale.

CONTINGENT LIABILITIES

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If the Group fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, the Group does not conduct independent credit checks on its customers but rely on the credit checks conducted by the mortgagee banks.

The following table sets forth the Group's total guarantees as at the dates indicated:

	As at 30 June	
	2024	2023
	(RMB'000)	(RMB'000)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	11,378,455	16,598,489
Guarantees given to banks and other institutions in connection with facilities granted to related parties and third parties ⁽¹⁾	120,000	124,980
Guarantees given to banks and other institutions in connection with facilities granted to liquidated subsidiaries ⁽²⁾	1,175,000	—
Total	12,673,455	16,723,469

Notes:

- (1) All guarantees provided by or to the Controlling Shareholders and their respective close associates on the borrowings of the Group or the Controlling Shareholders and their respective close associates had been fully released immediately before the Listing.
- (2) Two subsidiaries of the company have entered bankruptcy proceedings, as disclosed in the announcements of the Company dated 18 April 2024, 8 May 2024 and 29 May 2024 respectively. The company has provided guarantees for their bank loans and other loans.

COMMITMENT

As at 30 June 2024, the Group's capital commitment it had contracted but yet provided for was RMB18,822 million, compared with RMB12,146 million as at 31 December 2023.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2024, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets during the six months ended and as at 30 June 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, the Group had 848 employees (30 June 2023: 1,074 employees). For the six months ended 30 June 2024, the staff cost recognised as expenses of the Group amounted to RMB97.5 million (30 June 2023: RMB119.5 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include a salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

As required by PRC regulations, the Group make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. When there are employees who leave the scheme prior to becoming fully vested in the contribution, the amount of the forfeited contribution will be used to reduce future contribution payable by the Group.

Management Discussion and Analysis

The Directors and members of the senior management receive compensation from the Group in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans. The Board will review and determine the remuneration and compensation packages of the Directors and senior management, and will receive recommendation from the remuneration committee of the Company which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

MATERIAL LEGAL, LITIGATION AND ARBITRATION MATTERS

During the six months ended 30 June 2024, the Group was involved in certain litigation and arbitration cases in the regular course of its business for certain interest bearing bank and other borrowings which had not been repaid according to their scheduled repayment dates as mentioned in note 2 to the financial statements.

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There are no changes in the directors' information required to be disclosed pursuant to 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules from the date of last annual report to the date of this interim report.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme. The purpose of the Share Option Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the Group's employees, Directors and other selected participants for their contributions to the Group. For details of the Share Option Scheme, please refer to the section headed "Appendix V — Statutory and General Information — D. Other Information — 1. Share Option Scheme" in the Prospectus.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, being 100,000,000 Shares, representing approximately 9.74% of the total number of Shares in issue as at the date of this interim report. Since the date of the adoption of the Share Option Scheme and up to 30 June 2024, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme. As at 1 January 2024 and 30 June 2024, the options available for grant under the Share Option Scheme is 100,000,000 Shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2024, the interests and short positions of the Directors and the chief executives 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 SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(i) interests in shares or underlying shares of the company

Name of Director	Nature of Interest	Number of Shares⁽¹⁾	Approximate percentage of interest in the Company⁽²⁾
Liu Yuhui ⁽³⁾	Interest in controlled corporations	766,374,000 (L)	74.63%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2024.

Corporate Governance and Other Information

- (3) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Enterprise Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies are all deemed to be interested in the total Shares directly held by such investment holding companies for the purpose of Part XV of the SFO.

(ii) interests in shares or underlying shares of the company's associated corporations (long position)

Name of Director	Name of associated corporation	Nature of Interest	Number of Shares	Percentage of shareholding interest
Liu Yuhui	Jin Sha Jiang	Beneficial owner	1	100.00%
	Yue Lai	Beneficial owner	1	100.00%

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2024, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest/ Capacity	Number of Shares Held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Mr. Liu Ce ⁽³⁾⁽⁴⁾	Interest in controlled corporation	766,374,000 (L)	74.63%
Yuan Di ⁽³⁾⁽⁴⁾	Beneficial owner	209,088,000 (L)	20.36%
Mr. Liu Haowei ⁽³⁾⁽⁵⁾	Interest in controlled corporation	766,374,000 (L)	74.63%
Ling Yue ⁽³⁾⁽⁵⁾	Beneficial owner	209,162,250 (L)	20.37%
Ms. Wang Tao ⁽³⁾⁽⁶⁾	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Long Yiqin ⁽³⁾⁽⁷⁾	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Hou Sanli ⁽³⁾⁽⁸⁾	Interest in controlled corporation	766,374,000 (L)	74.63%
Ms. Lan Tian ⁽⁹⁾	Interest of spouse	766,374,000 (L)	74.63%
Mr. Liu Yuqi ⁽¹⁰⁾	Interest of spouse	766,374,000 (L)	74.63%
Mr. Liu Shan ⁽¹¹⁾	Interest of spouse	766,374,000 (L)	74.63%
Ms. Chen Ao Ao ⁽¹²⁾	Interest of spouse	766,374,000 (L)	74.63%
Jin Sha Jiang ⁽³⁾	Beneficial owner	232,587,000 (L)	22.65%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Calculated on the basis of 1,026,945,000 Shares in issue as at 30 June 2024.

Corporate Governance and Other Information

- (3) Pursuant to the Acting in Concert Deed, the Ultimate Controlling Shareholders have agreed and confirmed, among other things, from the date when they became the registered owners and/or beneficial owners of the equity interests in Rong Liang Group and/or Liang Yuan Enterprise Management until after Listing and to the date when any one of them cease to be the Controlling Shareholders; (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of the Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of the Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of the Group. By virtue of the SFO, each of the Ultimate Controlling Shareholders together with their respective investment holding companies are all deemed to be interested in the total Shares directly held by such investment holding companies.
- (4) 209,088,000 and 37,125,000 Shares are held by Yuan Di and Fan Tai, respectively. Yuan Di and Fan Tai are wholly owned by Mr. Liu Ce. By virtue of SFO, Mr. Liu Ce is deemed to be interested in the Shares held by Yuan Di and Fan Tai.
- (5) 209,162,250 and 37,125,000 Shares are held by Ling Yue and Lian Rong, respectively. Ling Yue and Lian Rong are wholly owned by Mr. Liu Haowei. By virtue of SFO, Mr. Liu Haowei is deemed to be interested in the Shares held by Ling Yue and Lian Rong.
- (6) 1,262,250 Shares are held by San Jiang Yuan, which is in turn wholly owned by Ms. Wang Tao. By virtue of SFO, Ms. Wang Tao is deemed to be interested in the Shares held by San Jiang Yuan.
- (7) 1,262,250 Shares are held by Fu Sheng, which is in turn wholly owned by Ms. Long Yiqin. By virtue of SFO, Ms. Long Yiqin is deemed to be interested in the Shares held by Fu Sheng.
- (8) 1,262,250 Shares are held by Shan Yuan, which is in turn wholly owned by Ms. Hou Sanli. By virtue of SFO, Ms. Hou Sanli is deemed to be interested in the Shares held by Shan Yuan.
- (9) Ms. Lan Tian, the spouse of Mr. Liu Ce, is deemed to be interested in all the Shares that Mr. Liu Ce is interested in by virtue of the SFO.
- (10) Mr. Liu Yuqi, the spouse of Ms. Hou Sanli, is deemed to be interested in all the Shares that Ms. Hou Sanli is interested in by virtue of the SFO.
- (11) Mr. Liu Shan, the spouse of Ms. Wang Tao, is deemed to be interested in all the Shares that Ms. Wang Tao is interested in by virtue of the SFO.
- (12) Ms. Chen Ao Ao, the spouse of Mr. Liu Haowei, is deemed to be interested in all the Shares that Mr. Liu Haowei is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, the Company was not aware that any person (other than a Director or chief executive of the Company) has any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company under section 336 of the SFO, or were directly or indirectly interested in 5% or more of the shares of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sales of treasury shares) for the six months ended 30 June 2024. As at 30 June 2024, no treasury shares were held by the Company.

INTERIM DIVIDEND

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

COMPLIANCE WITH THE CG CODE

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the CG Code as contained in Part 2 of Appendix C1 to the Listing Rules. Except for the deviation from code provision C.2.1 of the CG Code, the Company's corporate governance practices have complied with the code on corporate governance practices. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu Yuhui is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Liu Yuhui is the founder of the Group and has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Liu Yuhui taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Save for the deviation from code provision C.2.1 of the CG Code, the Board is of the view that the Company has adopted, applied and complied with the CG Code for the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2024.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees for the six months ended 30 June 2024.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities. This normally means that at least 25% of the issuer's total issued shares must at all times be held by the public.

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

SUBSEQUENT IMPORTANT EVENTS

No material events were undertaken by the Group subsequent to 30 June 2024 and up to the date of this report.

AUDIT COMMITTEE

As at the date of this interim report, the Audit Committee comprised three independent non-executive Directors, namely Ms. Luo Ying, Ms. Liang Yunxing and Mr. Fang Min. The Audit Committee has reviewed the interim report of the Group for the six months ended 30 June 2024. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the unaudited interim results of the Group for the six months ended 30 June 2024.

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
REVENUE	5	4,558,020	7,025,033
Cost of sales		(4,024,126)	(6,041,812)
Gross profit		533,894	983,221
Other income and gains	5	16,234	48,480
Selling and distribution expenses		(212,233)	(472,850)
Administrative expenses		(136,946)	(185,592)
Other expenses		(319,455)	(41,979)
Fair value loss on investment properties		(276,100)	(80,000)
Finance costs	7	(97,615)	(145,051)
Share of profits and losses of:			
Joint ventures		55,989	13,874
Associates		(38)	(3,603)
(LOSS)/PROFIT BEFORE TAX	6	(436,270)	116,500
Income tax expense	8	(320,148)	(210,102)
LOSS FOR THE PERIOD		(756,418)	(93,602)
Attributable to:			
Owners of the parent		(816,968)	(250,441)
Non-controlling interests		60,550	156,839
		(756,418)	(93,602)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted			
For loss for the period		(0.80)	(0.24)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
LOSS FOR THE PERIOD	(756,418)	(93,602)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	—	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(756,418)	(93,602)
Attributable to:		
Owners of the parent	(816,968)	(250,441)
Non-controlling interests	60,550	156,839
	(756,418)	(93,602)

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	136,870	144,867
Investment properties	12	3,254,000	3,530,100
Right-of-use assets		44,522	48,099
Other intangible assets		17,471	19,034
Investments in joint ventures		453,106	397,117
Investments in associates		99,926	104,603
Deferred tax assets		533,149	779,512
Other non-current assets		163,782	143,730
Total non-current assets		4,702,826	5,167,062
CURRENT ASSETS			
Properties under development		13,420,413	15,301,782
Completed properties held for sale		4,443,621	5,846,246
Trade receivables	13	37,243	41,332
Prepayments, deposits and other receivables		3,491,350	4,250,699
Due from related companies	21	754,231	813,325
Financial assets at fair value through profit or loss		900	900
Other current assets		102,556	119,351
Tax recoverable		386,116	499,478
Restricted cash		941,253	598,800
Pledged deposits		141,466	96,432
Cash and cash equivalents	14	720,609	1,311,364
Total current assets		24,439,758	28,879,709
CURRENT LIABILITIES			
Trade and bills payables	15	5,864,040	5,513,317
Other payables and accruals		3,919,873	3,767,586
Interest-bearing bank and other borrowings	16	2,560,145	4,084,147
Contract liabilities		9,720,257	11,887,470
Lease liabilities		3,916	3,491
Due to related companies	21	444,724	598,309
Tax payable		1,665,627	2,094,888
Senior notes	17	864,808	860,104
Total current liabilities		25,043,390	28,809,312
NET CURRENT ASSETS		(603,632)	70,397
TOTAL ASSETS LESS CURRENT LIABILITIES		4,099,194	5,237,459

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	16	2,050,968	2,141,350
Lease liabilities		5,178	8,539
Deferred tax liabilities		316,242	452,687
		2,372,388	2,602,576
Total non-current liabilities		2,372,388	2,602,576
Net assets		1,726,806	2,634,883
EQUITY			
Equity attributable to owners of the parent			
Share capital	18	8,670	8,670
Reserves		1,485,335	2,260,427
		1,494,005	2,269,097
Non-controlling interests		232,801	365,786
Total equity		1,726,806	2,634,883

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve [#]	Capital reserve	Statutory surplus reserve	Accumulated losses	Other reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 (audited)	8,670	1,279,392	3,527,224	(88,798)	1,096,632	(3,570,794)	16,771	2,269,097	365,786	2,634,883
Total comprehensive income for the period	—	—	—	—	—	(816,968)	—	(816,968)	60,550	(756,418)
Capital reduction of subsidiaries from non-controlling shareholders	—	—	—	(3,348)	—	—	—	(3,348)	(51,398)	(54,746)
Acquisition of non-controlling interests	—	—	—	45,224	—	—	—	45,224	(45,224)	—
Liquidation of subsidiaries	—	—	—	—	—	—	—	—	(95,813)	(95,813)
Dividend declared to non-controlling shareholders	—	—	—	—	—	—	—	—	(1,100)	(1,100)
At 30 June 2024 (unaudited)	8,670	1,279,392	3,527,224	(46,922)	1,096,632	(4,387,762)	16,771	1,494,005	232,801	1,726,806

	Attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve [#]	Capital reserve	Statutory surplus reserve	Retained profits	Other reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 (audited)	8,670	1,279,392	3,527,224	49,000	819,069	(1,955,713)	16,771	3,744,413	1,697,327	5,441,740
Total comprehensive income for the period	—	—	—	—	—	(250,441)	—	(250,441)	156,839	(93,602)
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	(1,080,886)	(1,080,886)
Dividend declared to non-controlling shareholders	—	—	—	—	—	—	—	—	(88,688)	(88,688)
At 30 June 2023 (unaudited)	8,670	1,279,392	3,527,224	49,000	819,069	(2,206,154)	16,771	3,493,972	684,592	4,178,564

* As at 30 June 2024, these reserve accounts comprised the total consolidated reserves of RMB1,485,335,000 (30 June 2023: RMB7,889,414,000) in the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax:		(436,270)	116,500
Adjustments for:			
Depreciation of property, plant and equipment	6	15,481	7,057
Depreciation of right-of-use assets	6	3,577	4,190
Amortisation of other intangible assets	6	1,804	1,820
Finance costs	7	97,615	145,051
Impairment losses written off for completed properties held for sale	6	(196,044)	(617,387)
Impairment losses recognised for completed properties held for sale and properties under development		103,868	218,271
Gain on disposal of property, plant and equipment	5	(4,700)	(1,000)
Gain on disposal of joint ventures and associates	5	(2,532)	—
Loss on disposal of subsidiaries		95,816	—
Share of profits and losses of joint ventures and associates		(55,951)	(10,271)
Changes in fair value of investment properties	12	276,100	80,000
Impairment losses recognised for other receivables	6	203,521	154
Interest income	5	(3,763)	(6,028)
		98,522	(61,643)
Decrease in properties under development and completed properties held for sale		1,793,380	3,514,349
Decrease in other current assets		16,795	163,434
Increase in amounts due from related companies		(870)	(1,914)
Increase in restricted cash		(291,378)	(68,787)
(Increase)/decrease in pledged deposits		(20,965)	25,295
Decrease/(increase) in trade receivables		58,897	(2,184)
Decrease in prepayments and other receivables		4,425	934,277
Increase in trade and bills payables		400,323	622,457
Decrease in other payables and accruals		100,535	(72,865)
Decrease in contract liabilities		(2,650,749)	(2,428,059)
(Increase)/decrease in amounts due to related companies		(13,822)	18,958
Cash (used in)/generated from operations		(504,907)	2,643,318
Interest received		3,763	6,028
Tax paid		(400,617)	(649,674)
Net cash flows (used in)/from operating activities		(901,761)	1,999,672

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment		23,340	10,428
Purchases of items of property, plant and equipment	11	(2,018)	(250)
Purchases of intangible assets		(240)	(325)
Disposals of financial assets at fair value through profit or loss		—	2,100
Acquisition of subsidiaries		11,498	—
Liquidation of subsidiaries	19	(705)	—
Decrease/(increase) in loans to related parties		13,479	(99,909)
Decrease in advances to third parties		677,910	29,642
Net cash flows generated from/(used in) investing activities		723,264	(58,314)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments		(2,651)	(3,443)
Capital reduction by non-controlling shareholders		—	(1,080,886)
New interest-bearing bank and other borrowings raised		—	15,000
Repayment of interest-bearing bank and other borrowings		(430,550)	(1,071,342)
Interest paid		(216,673)	(289,725)
Increase in advances from third parties		237,616	122,874
Net cash flows used in financing activities		(412,258)	(2,307,522)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(590,755)	(366,164)
Cash and cash equivalents at beginning of the period		1,311,364	2,595,964
CASH AND CASH EQUIVALENTS AT END OF PERIOD		720,609	2,229,800

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

1. CORPORATE AND GROUP INFORMATION

Leading Holdings Group Limited (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the period, the Group was involved in the following principal activities:

- Property development
- Commercial property investment and operations
- Hotel operations

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the directors, the investment holding companies of the Company are Yuan Di Capital Limited, Fan Tai Investment Holding Limited, Yue Lai Investment Limited, Jin Sha Jiang Holding Limited, Ling Yue Capital Holding Limited, Lian Rong Capital Limited, San Jiang Yuan Investment Limited, Fu Sheng Capital Limited and Shan Yuan Holdings Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with 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.

Going concern basis

During the six months ended 30 June 2024, the Group recorded a net loss of RMB756,417,000. As at 30 June 2024, (i) the Group’s total bank and other borrowings and senior notes amounted to RMB5,475,920,000, out of which RMB3,424,953,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB720,609,000; (ii) the Group had not repaid an aggregate amount of principal and interest of RMB864,808,000 for senior notes according to their scheduled repayment dates; (iii) an aggregate principal amount of RMB754,000,000 for certain interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates; (iv) failure to repay certain senior notes and certain interest-bearing bank and other borrowings resulted in a total amount of RMB793,851,000 of certain interest-bearing bank and other borrowings becoming repayable on demand.

30 June 2024

2. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

The above conditions indicate the existence of material uncertainties which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including the following:

- a) The Group will appoint financial advisors to assist it with a holistic restructuring of its senior notes, in order to reach a consensual solution with all the stakeholders as soon as practical;
- b) The Group has been actively negotiating with the Group's existing lenders to seek renewal or extension for repayment of the Group's bank and other borrowings;
- c) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- d) The Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- e) The Group has prepared a business strategy plan focusing on the acceleration of the sales of properties;
- f) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- g) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cashflow projections prepared by management, which cover a period of twelve months from 30 June 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 on a going concern basis.

2. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures as described above. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- a) successfully completing the holistic restructuring of its senior notes;
- b) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings;
- c) successfully securing project development loans for qualified project development;
- d) successfully obtaining additional new sources of financing as and when needed;
- e) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- f) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively controlling costs and expenses; and
- g) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the interim condensed consolidated financial information.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendment to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the " 2020 Amendments ")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the " 2022 Amendments ")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

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

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- | | | |
|-----|---|---|
| (a) | Property development | Development and sale of properties and project management |
| (b) | Commercial property investment and operations | Property leasing |
| (c) | Hotel operations | Hotel operations |

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

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group's operations are mainly conducted in Mainland China. Management considered that there is no reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2024	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	4,494,114	39,559	24,347	4,558,020
Segment results	(86,473)	(241,151)	19,527	(308,097)
<i>Reconciliation:</i>				
Interest income				3,763
Finance costs				(97,615)
Corporate and other unallocated expenses				(34,319)
Loss before tax from continuing operations				(436,270)
Six months ended 30 June 2023	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	6,943,802	56,044	25,187	7,025,033
Segment results	237,076	46,914	19,807	303,797
<i>Reconciliation:</i>				
Interest income				4,162
Finance costs				(145,051)
Corporate and other unallocated expenses				(46,408)
Profit before tax from continuing operations				116,500

4. OPERATING SEGMENT INFORMATION (Continued)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023.

	Property development <i>RMB'000</i> (Unaudited)	Commercial property investment and operations <i>RMB'000</i> (Unaudited)	Hotel operations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment assets				
30 June 2024	25,214,623	3,632,680	99,202	28,946,505
<i>Reconciliation:</i>				
Corporate and other unallocated assets				196,079
Total assets				29,142,584
Segment liabilities				
30 June 2024	24,474,837	2,415,991	166,078	27,056,906
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				358,872
Total liabilities				27,415,778
	Property development <i>RMB'000</i> (Audited)	Commercial property investment and operations <i>RMB'000</i> (Audited)	Hotel operations <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
Segment assets				
31 December 2023	23,000,820	10,693,895	140,652	33,835,367
<i>Reconciliation:</i>				
Corporate and other unallocated assets				211,404
Total assets				34,046,771
Segment liabilities				
31 December 2023	22,972,839	7,862,162	210,261	31,045,262
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				366,626
Total liabilities				31,411,888

30 June 2024

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	4,518,461	6,968,989
Sale of properties	4,486,703	6,932,925
Hotel operations	24,347	25,187
Project management services	7,411	10,877
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	39,559	56,044
	4,558,020	7,025,033

5. REVENUE, OTHER INCOME AND GAINS (Continued)**Disaggregated revenue information for revenue from contracts with customers**

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Types of goods or services		
Sale of properties	4,486,703	6,932,925
Hotel operations	24,347	25,187
Project management services	7,411	10,877
Total revenue from contracts with customers	4,518,461	6,968,989
Timing of revenue recognition		
Sale of properties transferred at a point in time	4,486,703	6,932,925
Services transferred over time	31,758	36,064
Total revenue from contracts with customers	4,518,461	6,968,989
Other income and gains		
Bank interest income	3,763	4,162
Gain arising on disposal of property, plant and equipment	4,700	1,000
Compensation	2,480	4,279
Government grants	244	4,064
Gain arising on disposal of joint ventures and associates	2,532	—
Interest income from associates and joint ventures	—	1,810
Management consulting service fees charged to joint ventures and associates	—	16,335
Gain arising on disposal of subsidiaries	—	14,823
Interest income from third parties	—	56
Others	2,515	1,951
Total	16,234	48,480

30 June 2024

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories sold	4,105,741	6,025,046
Cost of hotel operations	4,820	5,380
Impairment losses recognised for completed properties held for sale and properties under development	103,868	218,271
Impairment losses written off for completed properties held for sale	(196,044)	(617,387)
Impairment losses recognised for other receivables	203,521	154
Depreciation of items of property, plant and equipment	15,481	7,057
Amortisation of other intangible assets	1,804	1,820
Depreciation of right-of-use assets and amortisation of prepaid land lease payment	3,577	4,190
Lease payments not included in the measurement of lease liabilities	958	1,064
Auditor's remuneration	850	1,000
Employee benefit expenses (including directors' and chief executives' remuneration):		
Wages and salaries	80,610	90,175
Pension scheme contributions and social welfare	4,786	6,445

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on bank loans and other loans	163,044	362,392
Interest on pre-sales deposits	723,689	858,180
Total interest expense on financial liabilities not at fair value through profit or loss	886,733	1,220,572
Less: Interest capitalised	789,118	1,075,521
	97,615	145,051

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits arising in Hong Kong for the six months ended 30 June 2024 and 2023.

Subsidiaries of the Group operating in Mainland China, except for Tibet Ludi Industrial Co., Ltd. ("**Tibet Ludi**"), are subject to PRC corporate income tax at a rate of 25% for the period. Tibet Ludi enjoyed a preferential CIT rate of 15% during the six months ended 30 June 2024 and 2023.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included a provision for LAT in taxation according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Current tax:		
PRC corporate income tax	45,054	152,573
PRC LAT	165,176	102,667
Deferred tax	109,918	(45,138)
Total tax charge for the period	320,148	210,102

9. DIVIDENDS

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

30 June 2024

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,026,945,000 (six months ended 30 June 2023: 1,026,945,000) shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the periods.

The calculation of the basic and diluted (loss)/earnings per share amount is based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent	816,968	250,441
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	1,026,945,000	1,026,945,000

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment at a total cost of RMB2,018,000 (30 June 2023: RMB250,000).

Certain of the Group's property, plant and equipment with a net book value of RMB18,638,000 were disposed of by the Group during the six months ended 30 June 2024 (30 June 2023: RMB9,428,000), resulting in a net gain on disposal of RMB4,700,000 (30 June 2023: RMB1,000,000).

As at 30 June 2024, certain of the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB85,095,000 (31 December 2023: RMB85,095,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

12. INVESTMENT PROPERTIES

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
Carrying amount at 1 January (Audited)	3,530,100	3,886,000
Net loss from a fair value adjustment	(276,100)	(80,000)
Carrying amount at 30 June (Unaudited)	3,254,000	3,806,000

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 30 June 2024 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), an independent professionally qualified valuer, at RMB3,254,000,000 (30 June 2023: RMB3,806,000,000) on an open market, existing use basis.

The fair value of completed investment properties is determined by the income capitalisation method by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

Investment properties included in Level 3 are all completed investment properties. During the six months ended 30 June 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (30 June 2023: Nil).

As at 30 June 2024, certain of the Group's investment properties with an aggregate carrying amounts of approximately RMB1,553,113,000 as at 30 June 2024 (31 December 2023: RMB1,782,820,000) have been pledged to secure bank and other borrowings granted to the Group (note 16).

30 June 2024

13. TRADE RECEIVABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Less than 1 year	26,162	29,034
Over 1 year	11,081	12,298
	37,243	41,332

14. CASH AND BANK BALANCES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances	1,803,328	2,006,596
Less: Restricted cash	941,253	598,800
Pledged deposits	141,466	96,432
Cash and cash equivalents	720,609	1,311,364
Denominated in RMB	720,549	1,311,239
Denominated in HK\$	4	4
Denominated in US\$	52	117
Denominated in AUD\$	4	4
	720,609	1,311,364

In accordance with relevant government requirements, certain property development companies of the Group are required to place, in designated bank accounts, a certain amount of pre-sale proceeds as guarantee deposits for the constructions of the related properties. The restricted cash can only be used for payments for construction costs of the relevant properties when approval from the related government authority is obtained. Such restricted cash will be released after the completion of construction of the related properties. As at 30 June 2024, such restricted cash amounted to RMB941,253,000 (31 December 2023: RMB511,896,000). As at 30 June 2024, the restricted cash amounting to RMB51,159,000 was frozen by the People's Court due to lawsuits (31 December 2023: RMB86,904,000). As at 30 June 2024, bank deposits of RMB101,382,000 were pledged as security for purchasers' mortgage loans (31 December 2023: RMB96,432,000).

14. CASH AND BANK BALANCES (Continued)

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

15. TRADE AND BILLS PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Less than 1 year	4,955,114	4,584,071
Over 1 year	908,926	929,246
	5,864,040	5,513,317

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Current		
Current portion of long-term bank loans — secured	1,318,005	2,064,877
Current portion of long-term other loans — secured	1,242,140	2,019,270
	2,560,145	4,084,147

30 June 2024

16. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-current		
Bank loans — secured	1,709,478	1,954,641
Other loans — secured	341,490	186,709
	2,050,968	2,141,350
	4,611,113	6,225,497
Analysed into:		
Repayable within one year or on-demand	2,560,145	4,084,147
Repayable in the second year	35,850	403,441
Repayable in the third to fifth years, inclusive	500,640	170,584
Repayable beyond five years	1,514,478	1,567,325
	4,611,113	6,225,497

Certain of the Group's bank and other borrowings are secured by the pledges of the assets with carrying values at the end of the reporting period as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Properties under development	6,558,867	10,443,346
Investment properties	1,553,113	1,782,820
Completed properties held for sale	21,728	21,728
Property, plant and equipment	85,095	85,095
Land use right	16,582	16,922

As at 30 June 2024, certain of the Group's bank and other borrowings with an aggregate amount of RMB2,764,010,000 were secured by share charges in respect of the equity interests of certain subsidiaries of the Group (31 December 2023: RMB3,626,560,000).

30 June 2024

19. LIQUIDATION OF SUBSIDIARIES

During the six months ended 30 June 2024, the People's Republic of China (PRC) courts adjudged the liquidation of Chengdu Lingyuan Yinghe Real Estate Co., Ltd. ("**Chengdu Lingyuan**") and Chengdu Runde Yinghe Real Estate Co., Ltd. ("**Chengdu Runde**") at the application of certain creditors and have initiated receivership procedures. The Directors considered that the Group lost control over the subsidiaries upon the judgement and deconsolidated the subsidiaries thereafter. Up to the date of approval of the interim condensed consolidated financial information, the liquidation of Chengdu Lingyuan and Chengdu Runde haven't not yet been completed.

The carrying values of the assets and liabilities on the dates of deconsolidation were as follows:

	<i>RMB'000</i>
Net assets deconsolidated of:	
Cash and cash equivalents	705
Prepayments, other receivables and other assets	234,271
Due from related companies	3,717
Properties held for sale	226,763
Properties under development	2,336,674
Deferred tax assets	65,266
Trade and bills payables	(332,712)
Contract liabilities	(42,307)
Other payables and accruals	(4,811)
Tax payables	(170,460)
Interest-bearing bank and other borrowings	(1,280,152)
Due to related companies	(737,172)
	<u>191,626</u>
Net assets	191,626
Non-controlling interest	(95,813)
	<u>95,813</u>
Net assets deconsolidated of	95,813
Consideration receivable	—
	<u>—</u>
An analysis of the net inflow of cash and cash equivalents in respect of the deconsolidation is as follows:	
Cash consideration	—
Cash and cash equivalents deconsolidated of	(705)
	<u>(705)</u>
Net outflow of cash and cash equivalents in respect of the deconsolidation	(705)

20. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the interim condensed consolidated financial information were as follows:

	<i>Notes</i>	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Unaudited)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	(1)	11,378,455	11,576,527
Guarantees given to banks and other institutions in connection with facilities granted to related parties	(2)	120,000	120,000
Guarantees given to banks and other institutions in connection with facilities granted to liquidated subsidiaries	(3)	1,175,000	—

Notes:

- (1) The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans. Upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors of the Company considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore, no provision has been made in connection with the guarantees.

- (2) The Group provided guarantees to banks and other institutions in connection with borrowings made to the related companies. The directors of the Company consider that no provision is needed in respect of the guarantees since the fair value is not significant. Further details are included in note 22(2).
- (3) The Group provided guarantees to banks and other institutions in connection with borrowings made to the liquidated subsidiaries. The directors of the Company consider that no provision is needed in respect of the guarantees since the fair value is not significant. Further details are included in note 19.

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21. COMMITMENTS

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

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Property development activities	9,309,341	11,942,732
Capital contributions to joint ventures	203,309	203,309
	9,512,650	12,146,041

22. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions

The following non-operating transactions were carried out with related parties during the reporting period:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Advances from related companies:		
Joint ventures	21,962	110,800
Associates	—	54,396
Repayment of advances from related companies:		
Joint ventures	6,502	83,729
Associates	—	6,941
Advances to related companies:		
Joint ventures	—	124,238
Associates	3,103	1,370,383
Repayment of advances to related companies:		
Joint ventures	1,122	13,221
Associate	—	1,306,965

22. RELATED PARTY TRANSACTIONS (Continued)**(1) Significant related party transactions** (Continued)

The following operating transactions were carried out with related parties during the reporting period:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income from companies controlled by the then parent company and/or the controlling shareholders* (Note 1)	—	215
Property management fees to companies controlled from controlling shareholder* (Note 1)	21,247	49,347
Management consulting service income from joint ventures and associates* (Note 1)	—	16,335
Project management fee to companies controlled by the then parent company* (Note 1)	—	215
Raw materials purchased from companies controlled by certain directors and/or their close family members* (Note 1)	—	108
Interest income from joint ventures and associates (Note 1)	—	1,810

Note 1: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties incurred.

* The related party transactions above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

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22. RELATED PARTY TRANSACTIONS (Continued)**(2) Other transactions with related parties**

As at 30 June 2024, the Group has guaranteed certain of the bank and other borrowings made to its joint ventures up to RMB120,000,000 (31 December 2023: RMB120,000,000).

(3) Outstanding balances with related parties

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Balances relating to non-operating activities		
Due from related parties:		
Associates	230,726	181,375
Joint ventures	523,478	621,923
Due to related parties:		
Associates	—	34,907
Joint ventures	427,339	536,050
Balances relating to operating activities		
Due from related parties:		
Joint ventures	27	10,027
Due to related parties:		
Companies controlled by the then parent company	7,912	9,169
Companies controlled by the shareholders	9,244	17,052
Companies controlled by certain directors and/or their close family members	228	1,131

Balances with the above related parties were unsecured, non-interest-bearing and repayable on demand.

22. RELATED PARTY TRANSACTIONS (Continued)**(4) Compensation of key management personnel of the Group**

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short-term employee benefits	435	2,578
Pension scheme contributions	27	56
Total compensation paid to key management personnel	462	2,634

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of the reporting period, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Financial liabilities				
Interest-bearing bank and other borrowings	4,611,113	6,225,497	3,806,748	6,167,970
Senior notes	864,808	860,104	211,976	210,823
	5,475,921	7,085,601	4,018,724	6,378,793

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, amounts due from related companies, trade receivables, financial assets included in prepayments and other receivables, trade and bills payables, senior notes, financial liabilities included in other payables and accruals and amounts due to related companies approximate to their carrying amounts largely due to the short term maturities of these instruments.

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

For the fair values of the financial assets at fair value through profit or loss, management has estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors twice a year for interim and annual financial reporting.

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities.

The Group invests wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair value by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks and classified them into Level 2 financial instruments.

24. EVENTS AFTER REPORTING PERIOD

There is no significant subsequent event undertaken by the Company after 30 June 2024.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 30 August 2024.