



**Ying Li International Real Estate Limited**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199106356W)

Unaudited Condensed Interim Consolidated Financial Statements  
For the six months ended 30 June 2024

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## A. Unaudited condensed interim consolidated statements of profit or loss and other comprehensive income

	Note	The Group		Increase / (Decrease) %
		6 months ended 30 June 2024 RMB'000	6 months ended 30 June 2023 RMB'000	
<b>Revenue</b>	4.2	<b>103,405</b>	<b>99,029</b>	<b>4.4%</b>
Cost of sales		(31,326)	(28,993)	8.0%
<b>Gross profit</b>		<b>72,079</b>	<b>70,036</b>	<b>2.9%</b>
Other income	6.1	3,662	9,238	(60.4%)
Other (losses)/gains - net	6.1	(51,441)	4,167	n.m.
Marketing expenses		(7,241)	(6,726)	7.7%
Administrative expenses		(37,569)	(33,237)	13.0%
Finance expenses		(79,067)	(77,138)	2.5%
<b>Loss before income tax</b>		<b>(99,577)</b>	<b>(33,660)</b>	<b>195.8%</b>
Income tax	7	-	-	-
<b>Net loss for the financial period</b>		<b>(99,577)</b>	<b>(33,660)</b>	<b>195.8%</b>
<b>Other comprehensive income/(loss)</b>				
<u>Item that may be reclassified to profit or loss in subsequent period (net of tax)</u>				
Currency translation differences arising from consolidation, net		32,927	(45,062)	n.m.
<b>Total comprehensive loss for the period</b>		<b>(66,650)</b>	<b>(78,722)</b>	<b>(15.3%)</b>
<b>Net (loss)/profit attributable to:</b>				
Equity holders of the Company		(99,696)	(35,307)	182.4%
Non-controlling interests		119	1,647	(92.8%)
		<b>(99,577)</b>	<b>(33,660)</b>	<b>195.8%</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity holders of the Company		(66,769)	(80,369)	(16.9%)
Non-controlling interests		119	1,647	(92.8%)
		<b>(66,650)</b>	<b>(78,722)</b>	<b>(15.3%)</b>
<b>Loss per share for net loss for the period attributable to equity holders of the Company</b>				
Basic loss per share (RMB per share)	8(a)	(0.039)	(0.014)	
Diluted loss per share (RMB per share)	8(b)	(0.039)	(0.014)	

n.m. - not meaningful

## B. Unaudited condensed interim consolidated statements of financial position

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Development properties	11	946,237	951,564	-	-
Trade and other receivables	10	364,550	370,725	2,632,188	2,592,800
Cash and cash equivalents		242,973	318,370	61,735	14,071
		<b>1,553,760</b>	<b>1,640,659</b>	<b>2,693,923</b>	<b>2,606,871</b>
<b>Non-current assets:</b>					
Property, plant and equipment	12	45,523	47,677	1,113	1,519
Investments in subsidiaries	13	-	-	3,116,474	3,116,474
Investment properties	15	4,367,977	4,371,400	-	-
Financial asset, at fair value through profit or loss ("FVPL")	14	-	-	-	-
		<b>4,413,500</b>	<b>4,419,077</b>	<b>3,117,587</b>	<b>3,117,993</b>
<b>Total assets</b>		<b>5,967,260</b>	<b>6,059,736</b>	<b>5,811,510</b>	<b>5,724,864</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Trade and other payables	16	404,319	406,227	1,141,779	1,461,506
Current income tax liabilities		187,615	188,073	-	-
Borrowings	17	1,606,623	1,605,942	922,082	472,769
Provisions	18	416,800	395,948	-	-
		<b>2,615,357</b>	<b>2,596,190</b>	<b>2,063,861</b>	<b>1,934,275</b>
<b>Non-current liabilities:</b>					
Other payable – related party	16	285,081	271,619	285,081	271,619
Deferred income tax liabilities		396,709	396,709	-	-
Borrowings	17	785,532	825,996	-	-
		<b>1,467,322</b>	<b>1,494,324</b>	<b>285,081</b>	<b>271,619</b>
<b>Total liabilities</b>		<b>4,082,679</b>	<b>4,090,514</b>	<b>2,348,942</b>	<b>2,205,894</b>
<b>NET ASSETS</b>		<b>1,884,581</b>	<b>1,969,222</b>	<b>3,462,568</b>	<b>3,518,970</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company:</b>					
Share capital	19	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve		(2,034,754)	(2,034,754)	-	-
Statutory common reserve		91,018	91,018	-	-
Perpetual convertible securities		878,970	878,970	878,970	878,970
Currency translation reserve		(109,693)	(142,620)	(50,166)	(59,579)
Accumulated losses		(960,982)	(843,295)	(1,394,608)	(1,328,793)
Equity attributable to equity holders of the Company		<b>1,892,931</b>	<b>1,977,691</b>	<b>3,462,568</b>	<b>3,518,970</b>
Non-controlling interests		(8,350)	(8,469)	-	-
<b>TOTAL EQUITY</b>		<b>1,884,581</b>	<b>1,969,222</b>	<b>3,462,568</b>	<b>3,518,970</b>



## C. Unaudited condensed interim consolidated statements of changes in equity (continued)

The Company	Share capital RMB'000	Convertible bonds reserve RMB'000	Perpetual convertible securities RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	4,028,372	-	878,970	(59,579)	(1,328,793)	3,518,970
Total comprehensive income/(loss) for the period	-	-	-	9,413	(47,824)	(38,411)
Distribution on perpetual convertible securities	-	-	-	-	(17,991)	(17,991)
<b>Balance at 30 June 2024</b>	4,028,372	-	878,970	(50,166)	(1,394,608)	3,462,568
<b>Balance at 1 January 2023</b>	4,028,372	42,458	878,970	(41,098)	(1,337,504)	3,571,198
Total comprehensive (loss)/income for the period	-	-	-	(13,259)	14,135	876
Distribution on perpetual convertible securities	-	-	-	-	(17,894)	(17,894)
<b>Balance at 30 June 2023</b>	4,028,372	42,458	878,970	(54,357)	(1,341,263)	3,554,180

**D. Unaudited condensed interim consolidated statements of cash flows**

	<b>The Group</b>	
	<b>6 months ended 30 June 2024 RMB'000</b>	<b>6 months ended 30 June 2023 RMB'000</b>
<b>Operating activities</b>		
Loss before income tax	(99,577)	(33,660)
Adjustments for:		
Depreciation of property, plant and equipment	2,131	2,140
Interest expenses	79,067	77,138
Interest income	(1,951)	(7,945)
Provision on legal cases and penalties	20,852	20,737
Gain on disposal of property, plant and equipment	(8)	-
Gain on disposal of investment properties	(1,338)	(92)
Unrealised exchange differences	28,324	(4,658)
Operating cash flows before working capital changes	27,500	53,660
Development properties	5,327	3,407
Trade and other receivables	6,175	(702)
Trade and other payables	(2,220)	9,098
Cash generated from operations	36,782	65,463
Interest received	1,951	7,945
Income tax paid	-	(2)
<b>Net cash generated from operating activities</b>	<b>38,733</b>	<b>73,406</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(28)	(58)
Proceeds from disposal of property, plant and equipment	27	-
Proceeds from disposal of investment properties	4,761	272
<b>Net cash generated from investing activities</b>	<b>4,760</b>	<b>214</b>
<b>Financing activities</b>		
(Increase)/decrease in restricted cash	(6,557)	212,886
Proceeds from borrowings	430,000	941,592
Interest paid	(53,949)	(71,880)
Repayment of borrowings	(492,037)	(709,627)
Repayment of bond notes	-	(215,912)
<b>Net cash (used in)/generated from financing activities</b>	<b>(122,543)</b>	<b>157,059</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(79,050)</b>	<b>230,679</b>
Effects of exchange rate changes on cash and cash equivalents	(2,904)	1,818
Cash and cash equivalents at beginning of the period	266,751	111,822
<b>Cash and cash equivalents at end of period</b>	<b>184,797</b>	<b>344,319</b>
Restricted bank balances	58,176	46,065
<b>Cash and cash equivalents in the consolidated statements of financial position</b>	<b>242,973</b>	<b>390,384</b>

## E. Notes to the unaudited condensed interim consolidated financial statements

### 1. General information

Ying Li International Real Estate Limited (the “Company”) is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “Singapore Exchange” or “SGX-ST”) and incorporated and domiciled in Singapore. These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 (“1H2024”) comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are:

- (a) Property development;
- (b) Mall and property management;
- (c) Property consultancy, sale, marketing and management;
- (d) Commercial property leasing services; and
- (e) Others - Investment holding.

### 2. Basis of preparation

The unaudited condensed interim financial statements for 1H2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and its performance since the last annual financial statements for the financial year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) as indicated.

The condensed interim financial statements have been prepared on a going concern basis as the directors have assessed that the Group and the Company would have the ability to meet the obligations for the next twelve months from the reporting date, taking into consideration available cash balances, profitability and cashflow of the Group’s operations.

#### 2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2. Use of judgements, estimates and assumptions

In preparing the unaudited condensed interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

- Valuation of investment properties
- Estimation of net realisable value for development properties
- Valuation of financial asset, at FVPL
- Assessment of expected credit loss (“ECL”) of trade and other receivables
- Provision on litigation cases and penalties



- Deferred income tax
- Classification of unquoted investment in limited partnership

### 3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- Property investment : Leasing of investment properties to generate rental income, facilities management income and holding of properties for capital appreciation
- Property development : Development and sales of residential, commercial and other types of properties and equity investment in property development companies
- Others : Mainly related with corporate office functions and investment holding

These operating segments are reported in a manner consistent with the internal reporting provided to the executive committee for allocating resources and assessing performance. Interest income and interest expenses are not allocated to the operating segments for the financial period ended 30 June 2024 as they were no longer a measurement of the performance of the operating segments with the replacement of the majority of bank loans with loans from a subsidiary of controlling shareholder. Accordingly, the segment information regarding interest income and interest expenses for the financial period ended 30 June 2023 has been restated for comparative purpose.

#### 4.1. Reportable segments

	<u>Property investment</u> RMB'000	<u>Property development</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
<b><u>1 January 2024 to 30 June 2024</u></b>				
<b>Revenue</b>				
Total segment revenue	96,224	7,181	-	103,405
Segment results	54,619	(21,106)	(55,974)	(22,461)
Interest expenses				(79,067)
Interest income				1,951
<b>Loss before income tax</b>				<u>(99,577)</u>
Depreciation of property, plant and equipment	-	-	2,131	2,131
<b>As at 30 June 2024</b>				
<b>Segment assets</b>	<u>4,383,150</u>	<u>1,280,854</u>	<u>303,256</u>	<u>5,967,260</u>
Segment assets includes:				
Additions to:				
- Property, plant and equipment	-	-	28	28
<b>Segment liabilities</b>	<u>1,142,143</u>	<u>749,628</u>	<u>2,190,908</u>	<u>4,082,679</u>

	<u>Property investment</u> RMB'000	<u>Property development</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
<b><u>1 January 2023 to 30 June 2023</u></b>				
<b>Revenue</b>				
Total segment revenue	94,486	4,543	-	99,029
Segment results	52,048	(9,611)	(6,904)	35,533
Interest expenses				(77,138)
Interest income				7,945
<b>Loss before income tax</b>				<b>(33,660)</b>
Depreciation of property, plant and equipment	-	-	2,140	2,140
<b>As at 30 June 2023</b>				
<b>Segment assets</b>	<b>4,117,646</b>	<b>1,532,112</b>	<b>447,908</b>	<b>6,097,666</b>
Segment assets includes:				
Additions to:				
- Property, plant and equipment	-	-	58	58
<b>Segment liabilities</b>	<b>1,696,545</b>	<b>775,786</b>	<b>1,686,188</b>	<b>4,158,519</b>

#### 4.2 Disaggregation of Revenue

	<u>The Group</u>	
	<u>6 months ended 30 June 2024</u> RMB'000	<u>6 months ended 30 June 2023</u> RMB'000
<b>Property investment</b>		
Rental income – People's Republic of China ("PRC")	96,224	94,486
<b>Property development</b>		
Revenue from contracts with customers – PRC		
- Sales of completed properties – at a point in time	7,181	4,543
	<u>103,405</u>	<u>99,029</u>

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company:

	Note	The Group		The Company	
		30 June 2024 RMB'000	31 December 2023 RMB'000	30 June 2024 RMB'000	31 December 2023 RMB'000
<b>Financial assets, at amortised cost</b>					
Cash and cash equivalents		242,973	318,370	61,735	14,071
Trade and other receivables	10	298,226	296,301	2,632,154	2,592,514
		<u>541,199</u>	<u>614,671</u>	<u>2,693,889</u>	<u>2,606,585</u>
<b>Financial liabilities, at amortised cost</b>					
Trade and other payables	16	610,541	597,707	1,426,860	1,733,125
Borrowings	17	2,392,155	2,431,938	922,082	472,769
		<u>3,002,696</u>	<u>3,029,645</u>	<u>2,348,942</u>	<u>2,205,894</u>

## 6. Loss before taxation

### 6.1. Significant items

	The Group	
	6 months ended 30 June 2024 RMB'000	6 months ended 30 June 2023 RMB'000
<b>Other income</b>		
Interest income	1,951	7,945
Sundry income	1,711	1,293
	<u>3,662</u>	<u>9,238</u>
<b>Other (losses)/gains - net</b>		
Foreign exchange (loss)/gain - net	(32,970)	4,658
Provision on legal cases and penalties (Note 18)	(20,852)	(20,737)
Receipt from partial settlement of a legal case	566	8,602
Expenses incurred for early termination of tenancy agreement	-	(1,167)
Gain on disposal of property, plant and equipment	8	-
Gain on disposal of investment properties	1,338	92
Reversal of accrued payables	986	12,841
Other losses - net	(517)	(122)
	<u>(51,441)</u>	<u>4,167</u>
<b>Other expenses by nature</b>		
Interest expenses	79,067	77,138
Depreciation of property, plant and equipment	2,131	2,140
Employee compensation	16,427	16,675
	<u>107,625</u>	<u>105,953</u>

## 6.2. Related party transactions

Other than as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, material transactions with related parties based on terms agreed between the parties are as follows:

	<b>The Group</b>	
	<b>6 months ended 30 June 2024 RMB'000</b>	<b>6 months ended 30 June 2023 RMB'000</b>
Management fees and related costs charged by an associate of controlling shareholder	2,971	2,739
Interest expenses charged by subsidiaries of controlling shareholder	27,701	10,575
Distribution on perpetual convertible securities payable to a subsidiary of controlling shareholder	17,991	17,894

## 7. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

## 8. Loss per share

### (a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	<b>The Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
Net loss attributable to equity holders of the Company (RMB'000)	(99,696)	(35,307)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,557,040	2,557,040
Basic loss per share (RMB per share)	(0.039)	(0.014)

### (b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As the effect of conversion of shares from perpetual convertible securities is anti-dilutive, the diluted loss per share is the same as the basic loss per share.

## 9. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Net asset value attributable to equity holders of the Company (RMB'000)	1,892,931	1,977,691	3,462,568	3,518,970
Number of shares issued ('000)	2,557,040	2,557,040	2,557,040	2,557,040
Net asset value per ordinary shares (RMB per share)	0.74	0.77	1.35	1.38

## 10. Trade and other receivables

	<b>The Group</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables – non-related parties	11,442	10,515
Other receivables:		
- Refundable deposits	17,269	17,275
- Consideration receivables from disposal of subsidiaries and a land parcel	262,710	262,710
- Others	6,805	5,801
Financial assets, at amortised cost	298,226	296,301
Advances to sub-contractor and vendors	3,864	4,007
Prepayments	38,480	45,011
Prepaid tax	23,980	25,406
<b>Total trade and other receivables</b>	<b>364,550</b>	<b>370,725</b>

  

	<b>The Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Other receivables	165	20
Refundable deposits	269	275
Due from subsidiary corporations	2,631,720	2,592,219
Financial assets, at amortised cost	2,632,154	2,592,514
Prepayments	34	286
<b>Total other receivables</b>	<b>2,632,188</b>	<b>2,592,800</b>

As announced by the Company on 21 February 2023, the Company and its subsidiary, Chongqing Yingli Real Estate Development Co., Ltd., commenced an arbitration with the China Chongqing Arbitration Commission in January 2023 against, among others, Shengyu (BVI) Limited (“Shengyu”) and Hengda Real Estate Group (Chongqing) Company Limited (恒大地产集团重庆有限公司) (“Hengda Chongqing”) (collectively, the “Debtors”) in respect of the Debtors’ failure to make payment for its purchase of the entire issued and paid-up share capital in the Company’s wholly-owned subsidiary Shiny Profit Enterprises Limited and a separate parcel of land pursuant to a conditional sale and purchase agreement entered into between the Company and Shengyu. For more details, please refer to the announcement made available on SGXNet. The Group through its appointed lawyer has attended the arbitral tribunal on 31 August 2023 and 29 November 2023 respectively, and presented relevant supporting documents for the amount to be claimed from the Debtors.

As at 30 June 2024, outstanding receivables from the Debtors in relation to the disposal of subsidiaries and a land parcel amounted to RMB262,710,000 (31 December 2023: RMB262,710,000), calculated based on the gross outstanding balance of RMB575,350,000 (31 December 2023: RMB575,350,000) net of loss allowance of RMB312,640,000 (31 December 2023: RMB312,640,000) made in previous years.

Notwithstanding that the outcome of the arbitration proceedings is still unknown and the Group is awaiting further notification from China Chongqing Arbitration Commission, the Management has reviewed the recoverability of the outstanding receivables from the Debtors and is of the opinion that the expected credit loss allowance had been adequately provided for as at 30 June 2024. The Management has considered the progress of the arbitration proceedings commenced by the Group with the China Chongqing Arbitration Commission to recover the receivables. In addition, there are active ongoing discussions with Hengda Chongqing regarding recovery of the receivables through project collaboration.

**11. Development properties**

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Completed properties for sale	823,825	829,152
Properties for development	122,412	122,412
	<u>946,237</u>	<u>951,564</u>

**12. Property, plant and equipment**

During the six months ended 30 June 2024, the Group acquired assets amounting to RMB28,000 (30 June 2023: RMB58,000) and disposed assets with carrying amount of RMB19,000 (30 June 2023: Nil).

**13. Investments in subsidiaries**

	<b>The Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Unquoted equity shares, at cost	2,966,257	2,966,257
Quasi-equity loan to a subsidiary	150,217	150,217
Total investments in subsidiaries	<u>3,116,474</u>	<u>3,116,474</u>

The quasi-equity loan to a wholly-owned subsidiary is unsecured, interest-free with no fixed term of repayment and is therefore quasi-equity in nature. The settlement of the loan is not planned, and the repayment of the loan is solely at the discretion of the borrower. Accordingly, the loan, in substance, forms part of the Company's net investment in the subsidiary and is stated at cost and tested for impairment together with the cost of investment.

**14. Financial asset, at FVPL**

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Unquoted investment in limited partnership at FVPL</b>		
Beginning of financial period/year	-	210,000
Fair value loss	-	(210,000)
End of financial period/year	<u>-</u>	<u>-</u>

Unquoted investment in limited partnership relates to a subsidiary's investment of RMB559 million (at cost) to subscribe for 26% of the subordinated shares in Shanghai Zhaoli Investment Centre (LLP) where it invested directly in Shanghai Sheng Ke Investment Centre (LLP) which in turn owns the project companies holding the Beijing Tongzhou Project.

The unquoted investment in limited partnership is carried at fair value based on valuation performed at the end of every financial year by international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial assets being valued. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between Management, the fund manager and the independent valuer annually.

The unquoted investment in limited partnership has been fully written down and a fair value loss of RMB210 million was recognised during the financial year ended 31 December 2023 based on the valuation performed as at 31 December 2023, mainly due to the stringent policies maintained by local authorities in the property sector, which prolonged the property development and sales period, thus leading to a reduction of forecasted margin of the project as a result of significant fixed costs such as finance costs, to be incurred on a yearly basis.

## 15. Investment properties

The Group's investment properties consist of retail, office and other commercial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Leasehold properties:</b>		
Beginning of financial period/year	4,371,400	4,094,253
Disposal of investment properties	(3,423)	(1,644)
Fair value gain	-	278,791
End of financial period/year	<u>4,367,977</u>	<u>4,371,400</u>

*Fair value hierarchy - Recurring fair value measurement*

<u>Description</u>	<b>Quoted prices in active markets for identical assets (Level 1) RMB'000</b>	<b>Significant other observable inputs (Level 2) RMB'000</b>	<b>Significant unobservable inputs (Level 3) RMB'000</b>
<b>30 June 2024</b>			
- Retail, office and car parks - PRC	-	-	4,367,977
<b>31 December 2023</b>			
- Retail, office and car parks - PRC	-	-	4,371,400

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the property's best use. As at 31 December 2023, the fair values of the properties have been determined by international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial assets being valued. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between Management and the independent valuer annually.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair values of the Group's properties have been derived using the direct comparison method and income approach on property basis. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as location, building age and size. The most significant input in this valuation approach is the reference to market evidence of transaction prices for similar properties and the rental income of the properties and were performed in accordance with International Valuation Standards and the Royal Institution of Chartered Surveyors' Global Valuation Standards.

## 16. Trade and other payables

	<b>The Group</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables – non-related parties	40,256	42,458
Other payables:		
- Non-related parties	109,197	110,188
- Related party	285,081	271,619
Accrued expenses	111,729	108,333
Deposits received	43,246	45,787
Other tax payables	21,032	19,322
Financial liabilities, at amortised cost	610,541	597,707
Less: Non-current liability		
- Other payable – related party	(285,081)	(271,619)
	325,460	326,088
Advances received from lessees	22,373	20,511
Contract liabilities	56,486	59,628
<b>Total trade and other payables – current liabilities</b>	<b>404,319</b>	<b>406,227</b>

The Group's other payable to a related party is pertaining to the unpaid distribution on perpetual convertible securities.

Contract liabilities are in relation to the advance consideration received from customers which would be recognised as revenue when the Group fulfils its performance obligations under contract, which is when control of properties transfers to the customer.

	<b>The Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Other payable:		
- Subsidiaries	1,102,496	1,401,551
- Related party	285,081	271,619
Accrued expenses	28,271	50,451
Other tax payables	11,012	9,504
Financial liabilities, at amortised cost	1,426,860	1,733,125
Less: Non-current liability		
- Other payable – related party	(285,081)	(271,619)
<b>Total other payables – current liabilities</b>	<b>1,141,779</b>	<b>1,461,506</b>

The Company's other payable to a related party is pertaining to the unpaid distribution on perpetual convertible securities.



**17. Borrowings**

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<u>Amount repayable within one year</u>		
Bank borrowings (secured)	684,541	1,133,173
Loans from a subsidiary of controlling shareholder (unsecured)	922,082	472,769
	1,606,623	1,605,942
<u>Amount repayable after one year</u>		
Bank borrowings (secured)	785,532	825,996
Total borrowings	2,392,155	2,431,938

The borrowings of the Group are secured over certain investment properties, development properties, properties, plant and equipment and intra-group corporate guarantees of the Group.

	<b>The Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<u>Amount repayable within one year</u>		
Loans from a subsidiary of controlling shareholder (unsecured)	922,082	472,769
	922,082	472,769

**18. Provisions**

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<u>Current</u>		
Provision on litigation cases	270,000	270,000
Provision on penalties	146,800	125,948
Total	416,800	395,948

	<b>The Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<u>Movement:</u>		
Beginning of financial period/year	395,948	421,907
Amount recognised in profit or loss (Note 6.1):		
- Provision made	20,852	41,818
- Reversal of provision	-	(67,777)
	20,852	(25,959)
End of financial period/year	416,800	395,948

The Group recognised additional provision for potential penalties payable to local authorities amounting to RMB20,852,000 during the financial period ended 30 June 2024 in relation to a development project of the Group as the subsidiary did not complete the development within the stipulated period.

During the financial period ended 30 June 2024, the Group had received repayment of a total amount of RMB566,000 relating to partial settlement of a legal case, and the amount had been recognised directly in profit or loss.

## 19. Share capital

	<b>The Group and the Company</b>	
	<b>Number of shares</b>	<b>Amount RMB'000</b>
<b>30 June 2024 and 31 December 2023</b>		
Beginning and end of financial period/year	2,557,040,024	4,028,372

Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

### Perpetual Subordinated Convertible Callable Securities ("Perpetual Convertible Securities", "PCS")

On 17 October 2014, the Company had issued S\$165,000,000 in aggregate principal amount of Tranche 1 Perpetual Convertible Securities and S\$20,000,000 in aggregate principal amount of Tranche 2 Perpetual Convertible Securities to Everbright Hero Mauritius Limited (the "Bondholder"), the nominee of Everbright Hero Holdings Limited pursuant to a subscription agreement dated 30 June 2014.

On 7 November 2022, the Company announced that it had entered into the Amendment Deed with the Bondholder pursuant to which, the Company and the Bondholder agreed to, among others, amend the Tranche 1 PCS conditions and Tranche 2 PCS conditions. For more details, please refer to the Circular made available on SGXNet.

The number of shares that may be issued on conversion of the outstanding securities at the end of the period is as below:

	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding securities at the end of the period	1,480,000,000	1,480,000,000

No conversion of the securities into shares has taken place since the date of issuance. The exercise price of the Perpetual Convertible Securities is S\$0.125 per share (30 June 2023: S\$0.125 per share).

The Company did not hold any treasury shares as at 30 June 2024 (30 June 2023: Nil).

None of the subsidiaries held shares in the Company as at 30 June 2024 (30 June 2023: Nil).

- (i) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 30 June 2024 was 2,557,040,024 (30 June 2023: 2,557,040,024).

- (ii) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- (iii) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

## 20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

**F. Other Information Required by Listing Rule  
Appendix 7.2**

## OTHER INFORMATION

## 1. Review

## a. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statements of financial position of the Group as at 1H2024 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statements of cash flows for the six-month period ended 30 June 2024 and certain explanatory notes have not been audited or reviewed.

## b. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

## c. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue; and
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

Not applicable.

## 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to the unaudited condensed interim financial statements of the Group for the six months ended 30 June 2024.

**Unaudited Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income**

Due to the nature of the industry that the Group operates in, recognition of revenue from the sale of completed properties is driven by transfer of control over the properties to the buyer. Consequently, the interim financial results may not be a good indication of profitability trend.

Revenue

	<b>The Group</b>		
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>	<b>Increase / (Decrease)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Sales of properties	7,181	4,543	58.1%
Rental income	96,224	94,486	1.8%
	<b>103,405</b>	<b>99,029</b>	<b>4.4%</b>

Revenue for the 6 months ended 30 June 2024 increased by 4.4% Y-o-Y, or RMB4.4 million to RMB103.4 million (1H2023: RMB99.0 million), due to increase in sales of properties by RMB2.7 million and rental income by RMB1.7 million.

Revenue from the sales of properties increased by RMB2.7 million, to RMB7.2 million (1H2023: RMB4.5 million), mainly attributable to more property units being sold in 1H2024.

Rental income increased by RMB1.7 million to RMB96.2 million (1H2023: RMB94.5 million) mainly due to gradual increase in average occupancy rate.

#### Gross profit and gross profit margin

	<b>The Group</b>			
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2024</b>		<b>30 June 2023</b>	
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>
Sales of properties	1,396	19.4%	1,132	24.9%
Rental income	70,683	73.5%	68,904	72.9%
	<b>72,079</b>	<b>69.7%</b>	<b>70,036</b>	<b>70.7%</b>

Gross profit of the Group for 1H2024 increased by 2.9% Y-o-Y or RMB2.1 million, to RMB72.1 million (1H2023: RMB70.0 million) in tandem with the increase in revenue.

Overall gross profit margin for 1H2024 decreased by 1.0%, to 69.7% (1H2023: 70.7%), primarily due to the higher proportion of revenue contributed by sales of properties which generates lower gross profit margin.

#### Other income

Other income for 1H2024 decreased by 60.4% Y-o-Y or RMB5.5 million, to RMB3.7 million (1H2023: RMB9.2 million), mainly due to lower interest income earned in 1H2024.

#### Marketing expenses

Marketing expenses for 1H2024 increased by 7.7% Y-o-Y or RMB0.5 million, to RM7.2 million (1H2023: RMB6.7 million), in tandem with the increase in revenue.

#### Administrative expenses

For 1H2024, administrative expenses increased by 13.0% Y-o-Y or RMB4.4 million, to RMB37.6 million (1H2023: RMB33.2 million), mainly due to increase in charges relating to loans from a subsidiary of controlling shareholder.

#### Finance expenses

Finance expenses for 1H2024 increased by 2.5% Y-o-Y or RMB2.0 million, to RMB79.1 million (1H2023: RMB77.1 million), mainly due to an increase in the floating interest rate on U.S. dollar loan.

#### Other (losses)/gains – net

Other losses for 1H2024 increased by RMB55.6 million, mainly due to (i) increase in unrealised foreign currency exchange loss which arose from the translation of financial liabilities denominated in RMB and United States Dollar which strengthened against the Company's functional currency in Singapore Dollar; (ii) decrease in reversal of accrued payables; and (iii) decrease in receipt from partial settlement of a legal case.

Net loss attributable to equity holders of the Company

	<b>The Group</b>		
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>	<b>Increase / (Decrease)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Net (loss)/profit attributable to:</b>			
Equity holders of the Company	(99,696)	(35,307)	182.4%
Non-controlling interests	119	1,647	(92.8%)
	<b>(99,577)</b>	<b>(33,660)</b>	<b>195.8%</b>

The Group reported higher net loss attributable to the equity holders of the Company mainly due to higher marketing and administrative expenses incurred and higher other losses for 1H2024 as compared with 1H2023.

Unaudited Condensed Interim Consolidated Statements of Financial Position

Total assets of the Group decreased by 1.5% or RMB92.4 million, to RMB5,967.3 million (31 December 2023: RMB6,059.7 million), mainly due to (i) decrease in cash and cash equivalents by RMB75.4 million mainly due to the repayment of loan principal and interest; (ii) decrease in trade and other receivables of RMB6.2 million; (iii) decrease in development properties by RMB5.3 million due to sale of development properties; and (iv) decrease in investment properties by RMB3.4 million due to disposal of investment properties.

The Group's total liabilities decreased marginally by 0.2% or RMB7.8 million, to RMB4,082.7 million (31 December 2023: RMB4,090.5 million), mainly due to (i) net decrease in borrowings of RMB39.8 million mainly attributable to net repayment of borrowings; partially offset by (ii) increase in provisions of RMB20.9 million due to additional provision for potential penalties payable to local authorities; and (iii) increase in trade and other payables RMB11.6 million mainly due to increase in other payable to a related party.

The Group's total equity decreased by RMB84.6 million to RMB1,884.6 million (31 December 2023: RMB1,969.2 million), mainly due to increase in accumulated losses of RMB117.7 million, partially offset by decrease in currency translation deficit of RMB32.9 million.

The Group had current liabilities of RMB2,615.4 million and current assets of RMB1,553.8 million as at 30 June 2024. The net current liabilities position is mainly due to loans from a subsidiary of controlling shareholder amounting to RMB922.1 million and bank borrowings of RMB684.5 million which will mature within one year. However, the Group continues to generate positive cash flows from operating activities, and the Group is also in the process of extending the maturity term of the borrowings and seeking support from the controlling shareholder. In addition, the Group will be proactively reshuffling or disposing low yielding properties to reduce gearing and improve liquidity position.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

In 1H2024, the decrease in unrestricted cash and cash equivalent of RMB79.1 million was mainly due to:

- i) net cash inflow of RMB38.7 million from operating activities;
- ii) net cash inflow of RMB4.8 million from investing activities; and
- iii) net cash outflow of RMB122.6 million in financing activities.

The net cash inflow from operating activities of RMB38.7 million was mainly attributable to the cash generated from operations of RMB27.5 million, working capital changes of RMB9.3 million and interest received of RMB1.9 million.

Net cash inflow from investing activities of RMB4.8 million was mainly attributable to the proceeds from disposal of investment properties.

Net cash outflow in financing activities of RMB122.6 million was mainly due to repayment of loan principal and interest.

### 3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was previously made to shareholders.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

***Outlook***

Generally linked to the country's economic growth, the real estate market forms an integral part of the domestic economy.

China's economy grew faster than expected in the first quarter of 2024, reaching 5.3% according to official data released by China's National Bureau of Statistics. For 2024, the Chinese authorities have set a target of around 5% for China's economic growth. In May 2024, the International Monetary Fund raised its GDP targets for 2024 and 2025 by 0.4 percentage points and expects China's economy to grow by 5% in 2024 and 4.5% in 2025.

However, China's economic growth remains uneven and China's real estate sector, a traditional engine of growth accounting for more than a quarter of the economy, continues to show weakness. In a continuation of the Chinese authorities' efforts to address issues in the real estate market, China unveiled additional wide-ranging measures in May 2024 to revive the real estate sector.

Against the backdrop of the evolving macro-economic challenges and uncertain market conditions in recent years, the Group has calibrated our business model after undertaking a strategic review, moving from asset heavy to asset light, focusing on property management services in order to mitigate the impact of regulatory measures over the real estate development sector, offloading non-core property assets and to identify emerging growth opportunities that are unrelated to the real estate market but aligned with China's 5-Year Plans.

2024 marks the 27th anniversary of Chongqing's becoming a directly administered municipality. It is now the fourth city under the direct control of the central government, alongside Beijing, Shanghai, and Tianjin. In recent years, Chongqing has focused on developing the Chengdu-Chongqing economic circle, driving regional growth and positioning itself as a key innovation hub in China's high-quality development. Chongqing aims to achieve a GDP of RMB 4 trillion by 2027 as it approaches the 30th anniversary of its municipal status.

The Group's core real estate business activities are based in Chongqing and our investment property portfolio comprises integrated office and retail developments, residential properties and commercial properties. As at 30 June 2024, the Group's investment properties have a total gross floor area of over 300,000 square metres ("sqm") which comprises four main segments of retail (approximately 66%), office (approximately 10%), carpark and warehousing (approximately 24%).

According to a report published by Savills in July 2024 on the Chongqing property market review for the first half of 2024, the total stock of high-quality retail properties in the city was approximately 8.08 million sqm (including department stores). The entry of new projects continues to increase the market concentration in the region, with three shopping centers opening in the first half of the year.

Chongqing's Grade A office property market saw the addition of two new projects, contributing approximately 235,000 sqm of space. As of the first half of 2024, the total stock of Grade A office space in the city stands at 2.86 million sqm. The overall vacancy rate of the city's Grade A office market has increased due to the large amount of new supply, coupled with factors such as slower than expected market recovery. Looking ahead, no new project supply is expected to enter Chongqing's Grade A office market in the second half of 2024, providing an opportunity for the market to gradually absorb the existing office property stock.

For the retail rental segment, the Group continues to monitor the emerging retail trends and seeks to work with tenants to explore innovative retail concepts and experiences. This ensures that the Group's retail properties remain relevant and captivating in the face of a growing and competitive retail market.

On the office rental segment, the Group continues to focus on retaining existing quality tenants and attracting new tenants by integrating new innovations, creating conducive spaces and more agile workspaces.

Adhering to the Group's core values, the management team is committed to the strategy of developing a cross-border property investment and asset management platform, focusing on strengthening our core operating activities and enhancing the quality of our business development initiatives.

With the rising trend of eco-investment and development, the Group aims to leverage on our cross-border asset management capabilities and listing status in Singapore and track record in Chongqing to implement the Group's transformation towards emerging opportunities in China's real estate market.

**5. Dividend**

**a. Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend was declared or recommended.

**b. (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

No interim dividend was declared or recommended in the previous corresponding period.

**c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**d. The date the dividend is payable.**

Not applicable.

**e. The date on which Registrable Transfer received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial period as it is loss making.

**7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group has not obtained a general mandate from shareholders for interested person transactions.

**8. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.



9. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under SGX Listing Rule 720(1) of the Listing Manual.**

The Group has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Ren Chao**

Executive Director and Acting Chief Executive Officer

14 August 2024