

Sinochem Hong Kong (Group) Company Limited

Unaudited Interim Condensed
Consolidated Financial Information

30 June 2024

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

CONTENTS

	Pages
INDEPENDENT REVIEW REPORT	1
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of financial position	4 - 6
Interim condensed consolidated statement of changes in equity	7 - 9
Interim condensed consolidated statement of cash flows	10 - 11
Notes to interim condensed consolidated financial information	12 – 27



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent review report

To the board of directors of Sinochem Hong Kong (Group) Company Limited

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 2 to 27, which comprise the condensed consolidated statement of financial position of Sinochem Hong Kong (Group) Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review of the interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Certified Public Accountants

Hong Kong

13 December 2024

SINOCEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
REVENUE	4	26,355	31,171
Cost of sales		<u>(20,262)</u>	<u>(25,338)</u>
Gross profit		6,093	5,833
Other income, gains and losses, net	6	525	1,329
Selling and distribution expenses		(1,083)	(1,374)
Administrative expenses		(1,429)	(2,232)
Finance costs		(2,218)	(2,138)
Share of profits and losses of:			
Joint ventures		755	665
Associates		<u>548</u>	<u>553</u>
Profit before tax	7	3,191	2,636
Income tax expense	8	<u>(558)</u>	<u>(317)</u>
Profit for the period		<u>2,633</u>	<u>2,319</u>
Attributable to:			
Owners of the parent		1,117	432
Non-controlling interests		<u>1,516</u>	<u>1,887</u>
		<u>2,633</u>	<u>2,319</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Profit for the period	<u>2,633</u>	<u>2,319</u>
Other comprehensive income for the period		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges, net of tax	(819)	(48)
Exchange differences on translation of foreign operations	<u>(1,127)</u>	<u>(5,575)</u>
	(1,946)	(5,623)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation, net of tax	-	134
Changes in fair value of equity investments at fair value through other comprehensive income (the "FVOCI")	<u>93</u>	<u>(466)</u>
	93	(332)
Other comprehensive income for the period, net of tax	<u>(1,853)</u>	<u>(5,955)</u>
Total comprehensive income for the period	<u>780</u>	<u>(3,636)</u>
Attributable to:		
Owners of the parent	(65)	(2,011)
Non-controlling interests	<u>845</u>	<u>(1,625)</u>
	<u>780</u>	<u>(3,636)</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Note	30 June 2024 (Unaudited) HK\$ million	31 December 2023 (Audited) HK\$ million (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	9	13,739	13,988
Land under development		25,835	23,960
Properties under development		89,798	89,564
Investment properties		40,746	42,347
Right-of-use assets		1,673	1,645
Goodwill		2,525	2,274
Intangible assets		413	421
Investments in joint ventures		31,042	29,128
Investments in associates		25,005	24,821
Financial assets at fair value through other comprehensive income		1,402	1,307
Amounts due from related parties		28,009	29,020
Deferred tax assets		3,423	3,477
Amounts due from non-controlling shareholders		2,414	2,325
Trade receivables		2,768	2,702
Other assets		6,930	6,787
		<u>275,723</u>	<u>273,766</u>
Total non-current assets			

SINOCEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2024

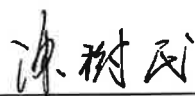
	30 June 2024 (Unaudited) HK\$ million	31 December 2023 (Audited) HK\$ million (Restated)
CURRENT ASSETS		
Inventories	797	749
Land under development	3,808	4,792
Properties under development	58,665	54,697
Properties held for sale	31,532	29,829
Trade and bills receivables	2,509	2,167
Contract assets	1,047	467
Prepayments, deposits and other receivables	36,526	40,166
Amounts due from related parties	115,185	109,001
Prepaid taxes	5,352	4,606
Derivative financial instruments	-	369
Restricted bank balances	5,708	7,632
Cash and cash equivalents	38,508	34,235
Other assets	-	-
Total current assets	<u>299,637</u>	<u>288,710</u>
CURRENT LIABILITIES		
Trade and bills payables	29,271	34,532
Other payables and accruals	80,522	78,729
Derivative financial instruments	728	132
Interest-bearing borrowings	55,960	72,157
Lease liabilities	273	214
Amounts due to related parties	48,361	35,766
Tax payable	2,137	2,321
Provision for land appreciation tax	1,325	2,134
Total current liabilities	<u>218,577</u>	<u>225,985</u>
NET CURRENT ASSETS	<u>81,060</u>	<u>62,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>356,783</u>	<u>336,491</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2024

	Notes	30 June 2024 (Unaudited) HK\$ million	31 December 2023 (Audited) HK\$ million (Restated)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		144,996	138,769
Lease liabilities		962	1,015
Deferred tax liabilities		10,345	10,459
Amounts due to related parties		63,724	41,262
Other payables and accruals		426	2,139
Total non-current liabilities		220,453	193,644
Net assets		136,330	142,847
EQUITY			
Equity attributable to owners of the parent			
Issued capital	11	24,468	24,468
Reserves		11,121	11,216
		35,589	35,684
Non-controlling interests		100,741	107,163
Total equity		136,330	142,847



Director



Director

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Note	Attributable to owners of the parent										Total (unaudited) HK\$ million	Non- controlling interests (unaudited) HK\$ million	Total equity (unaudited) HK\$ million
	Issued capital (unaudited) HK\$ million	Capital and other reserve (unaudited) HK\$ million	Asset revaluation reserve (unaudited) HK\$ million	Merger reserve (unaudited) HK\$ million	Statutory reserve (unaudited) HK\$ million	Fair value reserve (unaudited) HK\$ million	Translation reserve (unaudited) HK\$ million	Cashflow hedge reserve (unaudited) HK\$ million	Share option reserve (unaudited) HK\$ million	Retained profits (unaudited) HK\$ million			
At 1 January 2024 (Restated)	24,468	(1,448)	963	(4,097)	6,022	(876)	(4,612)	(90)	41	15,313	35,684	107,163	142,847
Profit for the period										1,117	1,117	1,516	2,633
Other comprehensive income for the period:													
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax						93					93		93
Cash flow hedges, net of tax							(456)	(819)			(819)		(819)
Exchange differences on translation of foreign operations											(456)	(671)	(1,127)
Total comprehensive income for the period, net of tax						93	(456)	(819)		1,117	(65)	845	780
Capital contribution from non-controlling shareholders		12									12	876	888
Dividends declared by subsidiaries to non-controlling interests											-	(692)	(692)
Transfer from retained profits					37					(37)	-	-	-
Acquisition of subsidiaries	12										-	667	667
Acquisition of non-controlling interests											-	(2)	(2)
Acquisition of equity interests in subsidiaries		(42)									(42)	28	(14)
Redemption of perpetual securities											-	(6,610)	(6,610)
Perpetual securities' distribution by a subsidiary											-	(252)	(252)
Repayment of capital to non-controlling shareholders											-	(1,282)	(1,282)
De-registration of a subsidiary		189									(189)	-	-
At 30 June 2024	24,468	(1,289)	963	(4,097)	6,059	(763)	(5,068)	(909)	41	16,204	35,589	100,741	136,330

* These reserve accounts comprise the consolidated reserves of HK\$11,121 million in the condensed consolidated statement of financial position.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2024

Notes	Attributable to owners of the parent										Non-controlling interests (unaudited) HK\$ million	Total equity (unaudited) HK\$ million	
	Issued capital (unaudited) HK\$ million	Capital and other reserve (unaudited) HK\$ million	Asset revaluation reserve (unaudited) HK\$ million	Merger reserve (unaudited) HK\$ million	Statutory reserve (unaudited) HK\$ million	Fair value reserve (unaudited) HK\$ million	Translation reserve (unaudited) HK\$ million	Cashflow hedge reserve (unaudited) HK\$ million	Share option reserve (unaudited) HK\$ million	Retained profits (unaudited) HK\$ million			Total (unaudited) HK\$ million
At 1 January 2023	24,468	342	717	(4,097)	5,539	(139)	(3,566)	132	41	18,137	41,574	115,329	156,903
Profit for the period	-	-	-	-	-	-	-	-	-	432	432	1,887	2,319
Other comprehensive income for the period:													
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	(466)	-	-	-	(466)	(466)	-	(466)
Cash flow hedges, net of tax	-	-	-	-	-	-	(70)	-	-	(70)	(70)	22	(48)
Gains on property revaluation, net of tax	-	-	133	-	-	-	-	-	-	133	133	1	134
Reclassification adjustments of exchange differences for foreign operations disposed of during the year	-	-	-	-	-	-	(11)	-	-	(11)	(11)	(18)	(29)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(2,029)	-	-	(2,029)	(2,029)	(3,517)	(5,546)
Total comprehensive income for the period, net of tax	-	-	133	-	-	(466)	(2,040)	(70)	-	432	(2,011)	(1,625)	(3,636)
Capital contribution from non-controlling shareholders	-	24	-	-	-	-	-	-	-	-	24	5,465	5,489
Dividends declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(834)	(834)
Transfer from retained profits	-	-	-	-	213	-	-	-	-	(213)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	4,000	4,000
Equity-settled share-based payment of subsidiaries	-	-	-	-	-	-	-	-	(2)	-	(2)	(3)	(5)
Redemption of perpetual securities	-	-	-	-	-	-	-	-	-	-	-	(3,910)	(3,910)
Repayment of capital to non-controlling shareholders	-	(73)	-	-	-	-	-	-	-	-	(73)	(2,821)	(2,894)
Assumption of liabilities of related party at nil consideration	-	(1,716)	-	-	-	-	-	-	-	-	(1,716)	-	(1,716)
Disposal of properties	-	-	(7)	-	-	-	-	-	-	7	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(735)	(735)
Distribution paid on perpetual capital securities by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(658)	(658)
At 30 June 2023	24,468	(1,423)	843	(4,097)	5,752	(605)	(5,606)	62	39	18,363	37,796	114,208	152,004

* These reserve accounts comprise the consolidated reserves of HK\$13,328 million in the condensed consolidated statement of financial position

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2024

Notes:

- (a) The capital and other reserve of the Group mainly comprises (i) contributions from owners in respect of settlement of doubtful receivables; (ii) contributions made by owners for the transfer of equity interest in a joint venture to the Group in previous years; (iii) the differences between the cost of acquisitions and the non-controlling interests acquired upon the acquisitions made by the Company of additional equity interests in non-wholly-owned subsidiaries, (iv) contributions made by owners to the Company's subsidiaries and (v) assumption of liabilities of fellow subsidiary at nil consideration.
- (b) The asset revaluation reserve of the Group arose from the change in use from owner-occupied properties to investment properties carried at fair value.
- (c) The merger reserve of the Group comprises the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares issued by the holding companies of the acquirees as consideration for the group restructuring transactions.
- (d) The statutory reserve comprises the statutory reserve fund, reserve fund and enterprise expansion fund. In accordance with the relevant rules and regulations in the People's Republic of China ("PRC"), each of the Group's PRC subsidiaries is required to transfer an amount of its profit after income tax to the statutory reserve fund, until the accumulated total of the fund reaches 50% of its registered capital. The appropriations to the reserve fund and enterprise expansion fund are determined by the articles of association of the Company's subsidiaries and are subject to the approval by the board of directors of the respective subsidiaries.
- (e) Fair value reserve comprises the cumulative net changes in the fair value of equity investments designated at fair value through other comprehensive income that are held at the end of reporting period.
- (f) Translation reserve comprises all foreign currency differences arising from the translation of the financial information presented in any currencies other than Hong Kong dollars.
- (g) The cashflow hedging reserve comprises the effective portion of the cumulative net changes in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		13,401	373
Income tax paid		<u>(2,325)</u>	<u>(2,006)</u>
Net cash generated from/(used in) operating activities		11,076	(1,633)
NET CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in loans to joint ventures and associates		(5,130)	2,385
Increase in amounts due from related parties		(2,001)	(12,027)
Decrease/(increase) in restricted bank balances		2,355	(2,340)
Disposal of subsidiaries	13	(868)	642
Acquisition of subsidiaries	12	(416)	1,590
Decrease in entrusted loans to non-controlling shareholders		1,990	148
Additions to investments in associates		(401)	(6)
Additions to investments in joint ventures		(2,102)	(1,671)
Advances of investments to third parties		-	(25)
Decrease in entrustment loans to a subsidiary's substantial shareholders		3	103
Other investing activities		<u>461</u>	<u>401</u>
Net cash used in investing activities		<u>(6,109)</u>	<u>(10,800)</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2024

	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
NET CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans and other loans	73,760	123,406
Repayment of bank loans and other loans	(77,071)	(129,434)
Interest paid	(3,434)	(4,865)
Loans from non-controlling shareholders	357	-
Dividends paid	(357)	(412)
Increase in amounts due to related parties	15,158	21,301
Redemption of perpetual securities	(5,455)	(3,910)
Perpetual securities' distribution paid	(333)	(658)
Advanced investment received from third parties	(1,940)	(922)
Repayment of loans from non-controlling shareholders	(54)	(294)
Capital contribution from non-controlling shareholders	111	5,093
Capital repayment to non-controlling shareholders	(714)	(1,979)
Other financing activities	(423)	(58)
	<u>(395)</u>	<u>7,268</u>
Net cash generated from/(used in) financing activities		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>4,572</u>	<u>(5,165)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	34,235	42,106
Effect of foreign exchange rate changes, net	(299)	(1,094)
	<u>38,508</u>	<u>35,847</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>38,508</u>	<u>35,847</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	<u>38,508</u>	<u>35,847</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. CORPORATE INFORMATION

Sinochem Hong Kong (Group) Company Limited (the "Company") is a limited company incorporated in Hong Kong. Its registered office is located at Room 4611, 46th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

In the opinion of the directors, the Company's ultimate holding company is Sinochem Holdings Corporation Ltd. (the "Sinochem Holdings"), and the Company's immediate holding company is Sinochem Corporation Co., Ltd. ("Sinochem Corporation"), both of which were established in the PRC.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 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.

The financial information relating to the year ended 31 December 2023 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

As the Company is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so. The Company's auditor has reported on the financial statements for the year ended 31 December 2023. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

Restatement of comparative financial information

The management of the Group have restated the Group's consolidated financial statements for the year ended 31 December 2023 to amend the miscalculation of the Group's loss for the year attributable to owners of the parent and non-controlling interests in the consolidated statement of profit or loss for the year ended 31 December 2023. The effects of restatement on the comparative financial information are summarised as follows:

Consolidated statement of financial position as at 31 December 2023

	As previously reported HK\$'000	Effect of restatement HK\$'000	As restated HK\$'000
Equity attributable to owners of the parent			
Issued capital	24,468,400	-	24,468,400
Reserves	1,575,455	9,639,792	11,215,247
Total	26,043,855	9,639,792	35,683,647
Non-controlling interests	116,803,096	(9,639,792)	107,163,304

30 June 2024

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 Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

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

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 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 HKFRS 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 HKAS 7 and HKFRS 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.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Revenue from contracts with customers		
Types of goods or services		
- Sale of properties	18,744	25,010
- Land development	15	84
- Hotel operations	974	1,209
- Others	5,711	3,858
Total	25,444	30,161
Revenue from other sources		
Gross rental income	911	1,010
Total	26,355	31,171

5. SEGMENT REPORTING

The Group organises its business activities into two operating segments: real estate and others (mainly securities investments). The following is an analysis of the Group's revenue and results by operating segment:

	Real estate (Unaudited) HK\$ million	Others (Unaudited) HK\$ million	Elimination (Unaudited) HK\$ million	Consolidated (Unaudited) HK\$ million
Six months ended 30 June 2024				
REVENUE				
External sales	24,189	2,166	-	26,355
Inter-segment sales	-	475	(475)	-
Total	24,189	2,641	(475)	26,355
Segment profit/(loss)	2,001	2,378	(819)	3,560
Interest income				542
Finance costs				(2,218)
Gain on equity interest previously held as investments in joint ventures				4
Share of profits and losses of:				
Joint ventures				755
Associates				548
Profit before taxation				3,191

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

5. SEGMENT REPORTING (continued)

	Real estate (Unaudited) HK\$ million	Others (Unaudited) HK\$ million	Elimination (Unaudited) HK\$ million	Consolidated (Unaudited) HK\$ million
Six months ended 30 June 2023				
REVENUE				
External sales	30,363	808	-	31,171
Inter-segment sales	-	349	(349)	-
Total	<u>30,363</u>	<u>1,157</u>	<u>(349)</u>	<u>31,171</u>
Segment profit/(loss)	1,041	1,103	(298)	1,846
Interest income				1,455
Finance costs				(2,138)
Gain on equity interest previously held as investments in joint ventures				255
Share of profits and losses of:				
Joint ventures				665
Associates				<u>553</u>
Profit before taxation				<u>2,636</u>

Segment profit represents the results earned by each segment without allocation of interest income, finance costs, gain on disposal of subsidiaries, gain on bargain purchase, gain on equity interest previously held as investments in joint ventures and share of results of joint ventures and associates.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

6. OTHER INCOME, GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Interest income	542	1,455
Government grants*	341	104
Penalty income	14	30
Sundry income, net	3	99
	<u>900</u>	<u>1,688</u>
Gain on equity interest previously held as investments in joint ventures (Note 12)	4	255
Gain on disposal of subsidiaries (Note 13)	525	-
Gain on disposal of investment in a joint venture	31	-
Gain on bargain purchase	3	-
Changes in fair value of derivative financial instruments	(504)	(214)
Foreign exchange difference, net	(240)	(72)
Loss on disposal of property, plant and equipment	(1)	(1)
Changes in fair value of trading financial assets	-	29
Impairment of properties under development, net	-	(102)
Impairment of properties held for sale, net	(174)	(277)
Impairment of prepayments, other receivables and other assets	(9)	(22)
Provision for penalty claims	-	(1)
Fair value changes of investment properties	(192)	(49)
Change in fair value of trade receivables at fair value through profit or loss	(3)	79
Others	185	16
	<u>(375)</u>	<u>(359)</u>
Other income, gains and losses, net	<u>525</u>	<u>1,329</u>

* Various government grants have been received from the relevant authorities for the Group's businesses conducted in certain cities in Chinese Mainland. There are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Impairment of properties under development, net	-	(102)
Impairment of properties held for sale, net	(174)	(277)

SINOCEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

8. INCOME TAX

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Current		
Hong Kong Profits Tax	172	-
PRC corporate income tax	826	861
Land appreciation tax ("LAT")	(427)	(119)
	<u>571</u>	<u>742</u>
Deferred	(13)	(425)
Total tax charge for the period	<u>558</u>	<u>317</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period (six months ended 30 June 2023: Nil).

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for both periods. Certain subsidiaries of the Group are qualified as high-tech enterprises in Chinese Mainland, or operated/located in western cities, and the relevant tax authorities have granted the subsidiaries a preferential corporate income tax rate of 15%.

Pursuant to the income tax rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to income tax in Bermuda and the BVI.

According to the requirements of the Provisional Regulations of the PRC on LAT (中华人民共和国土地增值税暂行条例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中华人民共和国土地增值税暂行条例实施细则) effective from 27 January 1995, all gains arising from a transfer of real estate property in Chinese Mainland effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including borrowing costs and all property development expenditure.

9. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals of owned assets

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with total costs of HK\$206 million (2023: HK\$421 million). Items of property, plant and equipment with net book value of HK\$9 million were disposed of (2023: HK\$6 million) during the six months ended 30 June 2024, resulting in a loss on disposal of HK\$0.4 million (2023: HK\$1 million).

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

10. SIGNIFICANT NON-CASH TRANSACTIONS

During the six months ended 30 June 2024, repayments of capital to non-controlling shareholders amounting to HK\$567 million (2023: HK\$802 million) were settled through offsetting amounts due from the relevant shareholders of certain non-wholly-owned subsidiaries.

During the six months ended 30 June 2024, amounts due to non-controlling shareholders of certain non-wholly-owned subsidiaries of HK\$635 million (2023: HK\$320 million) were capitalised into equity of the relevant subsidiaries as capital contributions from these non-controlling shareholders.

During the six months ended 30 June 2024, no land use rights (2023: HK\$76 million) were contributed to certain non-wholly-owned subsidiaries by non-controlling shareholders as capital contributions.

11. SHARE CAPITAL

	30 June 2024 (Unaudited) HK\$ million	31 December 2023 (Audited) HK\$ million
Issued and fully paid:		
24,468,400,000 (2023: 24,468,400,000) ordinary shares	24,468	24,468

12. BUSINESS COMBINATIONS

Business combinations during the period mainly included acquisitions of several property development companies (collectively referred to as the "Acquirees") made by China Jinmao Holdings Group Limited, a non-wholly-subsiary of the Company, and its subsidiaries (collectively "Jinmao Group"). The directors of the Company consider that none of these subsidiaries acquired during the period was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

The Group remeasured the fair values of the equity interests previously accounted for as investments in joint ventures at the date of acquisition, and fair value gains of HK\$4 million (six months ended 30 June 2023: HK\$255 million) were recognised in other income, gains and losses, net in the condensed consolidated statement of comprehensive income during the six months ended 30 June 2024 (note 6).

The Group has elected to measure the non-controlling interests in the Acquirees at the non-controlling interests' proportionate share of the Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the Acquirees as at the date of acquisition were as follows:

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

12. BUSINESS COMBINATIONS (continued)

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Property, plant and equipment	40	1
Investment property	15	-
Right-of-use assets	18	2
Properties under development	4,050	12,254
Financial assets at fair value through profit or loss	117	-
Prepayments, deposits and other receivables, and other assets	1,019	3,808
Other financial assets	3	-
Deferred tax assets	10	41
Prepaid taxes	18	400
Trade and bill receivables	79	-
Cash and cash equivalents	191	2,273
Contract liabilities	(87)	-
Trade and bills payables	(259)	(150)
Other payables and accruals	(3,084)	(6,576)
Interest-bearing borrowings	(18)	(3,784)
Lease liabilities	(18)	(2)
Deferred tax liabilities	(3)	(267)
Total identifiable net assets at fair value	2,091	8,000
Non-controlling interests	(667)	(4,000)
Gain on bargain purchase	(3)	-
Goodwill on acquisition	253	-
	1,674	4,000
Satisfied by:		
Cash*	688	1,333
Capital contribution	492	-
Fair value of equity interests previously held as investments in joint ventures	494	2,667
Total purchase consideration	1,674	4,000

* Cash consideration of HK\$607 million was paid by the Group during the six months ended 30 June 2024. As at 30 June 2024 the consideration of HK\$81 million remained outstanding.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

12. BUSINESS COMBINATIONS (continued)

The fair values of these companies' other receivables as at the date of acquisition amounted to HK\$1,018 million, which are equal to its gross contractual amounts. There was no estimated uncollectable amount of the contractual cash flows at the date of acquisition.

The fair values of these companies' trade and bill receivables as at the date of acquisition amounted to HK\$79 million, which are equal to its gross contractual amounts. There was no estimated uncollectable amount of the contractual cash flows at the date of acquisition.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group incurred transaction costs of HK\$2 million for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the condensed consolidated statement of comprehensive income.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Cash consideration	(607)	(683)
Cash and bank balances acquired	191	2,273
Net inflow/(outflow) of cash and cash equivalents included in cash flows from investing activities	(416)	1,590
Transaction costs of the acquisition included in cash flows used in operating activities	(2)	-
Total net cash inflow/(outflow)	(418)	1,590

Since the acquisition, the Acquirees did not generate any revenue while incurred an aggregated loss of HK\$113 million to the consolidated profit for the six months ended 30 June 2024.

Had the combinations taken place at the beginning of the period, the revenue and the profit for the period of the Group would have been HK\$26,374 million and HK\$2,820 million, respectively.

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

13. DISPOSAL OF SUBSIDIARIES

	Note	For the six months ended 30 June	
		2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Net assets/(liabilities) disposed of:			
Investment properties		1,100	-
Deferred tax assets		9	-
Properties under development		7,200	-
Properties held for sale		-	957
Prepayments, deposits and other receivables		57	1,503
Tax recoverable		180	15
Cash and cash equivalents		1,071	63
Trade and bills payables		(176)	(303)
Provision for land appreciation tax		-	(145)
Contract liabilities		(2,447)	-
Other payables and accruals		(5,151)	(621)
Interest-bearing bank and other borrowings		(1,780)	-
Non-controlling interests		-	(735)
		<u>63</u>	<u>734</u>
Translation reserve		-	(29)
Fair value of equity interests retained by the Group		385	-
Gain on disposal of subsidiaries	6	<u>525</u>	-
Cash consideration		<u>588</u>	<u>705</u>
Satisfied by:			
Cash		203	705
Fair value of equity interests retained by the Group		<u>385</u>	-

An analysis of the net cash outflow in respect of the disposal of subsidiaries is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Cash consideration	203	705
Cash and cash equivalents disposed of	<u>(1,071)</u>	<u>(63)</u>
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	<u>(868)</u>	<u>642</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

14. COMMITMENTS

	30 June 2024 (Unaudited) HK\$ million	31 December 2023 (Audited) HK\$ million
Contracted, but not provided for:		
Properties under development	53,793	68,974
Land under development	5,275	5,637
Property, plant and equipment	128	199
Capital contributions to joint ventures and associates	5,383	8,717
	<u>64,579</u>	<u>83,527</u>

15. RELATED PARTY TRANSACTIONS

(a) Material transactions with related parties

In addition to the transactions disclosed elsewhere in these financial information, the Group had the following material transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
The ultimate holding company:			
Rental income	(i)	58	4
The immediate holding company:			
Rental income	(i)	60	62
Property management fee income	(i)	6	5
Interest expense	(ii)	452	302
Building decoration services income	(i)	-	2
Fellow subsidiaries:			
Interest expense	(ii)	133	81
Rental income	(i)	134	135
Property management fee income	(i)	35	44
Interest income	(iii)	2,131	814
Building decoration services income	(i)	8	2

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

15. RELATED PARTY TRANSACTIONS (continued)

(a) Material transactions with related parties (continued)

	Notes	For the six months ended 30 June	
		2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Associates:			
Property management fee income	(i)	45	45
Interest income	(iii)	38	409
Consulting fee income	(i)	55	22
Interest expense	(ii)	94	56
Building decoration services income	(i)	81	329
Rental income	(i)	1	1
Other service income	(i)	5	5
Joint ventures:			
Interest income	(iii)	336	308
Consulting fee income	(i)	-	4
Rental income	(i)	5	4
Property management fee income	(i)	54	63
Building decoration services income	(i)	158	140
Interest expense	(ii)	-	7
Other service income	(i)	7	25
An associate of the Group's ultimate holding company:			
Rental income	(i)	13	16
Property management fee income	(i)	2	2
Minority shareholders of Jinmao Group			
Interest income	(iii)	3	13
Interest expense	(ii)	43	37

Notes:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.
- (ii) The interest expense was charged by related parties at rates ranging from 1.36% to 5.80% (six months ended 30 June 2023: 1.36% to 5.80%) per annum.
- (iii) The interest income was charged to related parties at rates ranging from 2.18% to 10.00% (six months ended 30 June 2023: 2.18% to 10.00%) per annum.

(b) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million
Short term employee benefits	7	13
Post-employment benefits	1	1
Equity-settled share option expense	-	1
Total compensation paid to key management personnel	8	15

30 June 2024

15. RELATED PARTY TRANSACTIONS (continued)

(c) Material transactions with other state-owned enterprises

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the period, the Group had transactions with other SOEs including, but not limited to borrowings, deposits, the sale of properties developed, the provision of property, lease and management service and the provision of sub-contracting services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

(d) Provision of guarantees to certain joint ventures and associates related to their borrowings

As at 30 June 2024, the Group provided guarantees of HK\$1,768 million (31 December 2023: HK\$2,232 million) and HK\$823 million (31 December 2023: HK\$1,033 million) to certain joint ventures and associates of the Group related to their borrowings, respectively.

16. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately HK\$16,894 million (31 December 2023: HK\$12,533million).

Besides, as at 30 June 2024, the Group provided guarantees of HK\$1,768 million (31 December 2023: HK\$2,232 million) and HK\$823 million (31 December 2023: HK\$1,033 million) to certain joint ventures and associates of Jinmao related to their bank loans, respectively. At 30 June 2024, certain of the Group's equity investments in joint ventures and associates, which had an aggregate net carrying amount of HK\$1,212 million (31 December 2023: HK\$1,197 million) were also pledged to secure the aforementioned bank loans.

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the reporting period were not significant.

30 June 2024

17. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2023 and 30 June 2024.

The Group's corporate finance is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through profit or loss included in other financial assets and at FVOCI, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss and in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with counterparties, principally financial institutions with good credit ratings. Derivative financial instruments are measured using present value calculations or similar calculations. The models incorporate market observable inputs including the foreign exchange spot and forward rates and interest rate curves of the underlying currency.

Fair value hierarchy

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

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

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

17. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Assets measured at fair value:

As at 30 June 2024

	Fair value measurement using			Total (Unaudited) HK\$ million
	Quoted prices in active markets (Level 1) (Unaudited) HK\$ million	Significant observable inputs (Level 2) (Unaudited) HK\$ million	Significant unobservable inputs (Level 3) (Unaudited) HK\$ million	
Equity investments designated at FVOCI	271	-	1,131	1,402
Other financial assets	-	303	6,103	6,406
Trade receivables, non- current portion	-	-	2,768	2,768
	<u>271</u>	<u>303</u>	<u>10,002</u>	<u>10,576</u>

As at 31 December 2023

	Fair value measurement using			Total (Audited) HK\$ million
	Quoted prices in active markets (Level 1) (Audited) HK\$ million	Significant observable inputs (Level 2) (Audited) HK\$ million	Significant unobservable inputs (Level 3) (Audited) HK\$ million	
Equity investments designated at FVOCI	249	-	1,058	1,307
Other financial assets	-	222	6,231	6,453
Derivative financial instruments	-	369	-	369
Trade receivables, non- current portion	-	-	2,702	2,702
	<u>249</u>	<u>591</u>	<u>9,991</u>	<u>10,831</u>

SINOCHEM HONG KONG (GROUP) COMPANY LIMITED

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

17. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Liabilities measured at fair value:

As at 30 June 2024

	Fair value measurement using			Total (Unaudited) HK\$ million
	Quoted prices in active markets (Level 1) (Unaudited) HK\$ million	Significant observable inputs (Level 2) (Unaudited) HK\$ million	Significant unobservable inputs (Level 3) (Unaudited) HK\$ million	
Derivative financial instruments	-	728	-	728

As at 31 December 2023

	Fair value measurement using			Total (Audited) HK\$ million
	Quoted prices in active markets (Level 1) (Audited) HK\$ million	Significant observable inputs (Level 2) (Audited) HK\$ million	Significant unobservable inputs (Level 3) (Audited) HK\$ million	
Derivative financial instruments	-	132	-	132

During the 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 financial liabilities (2023: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

(a) On 24 November 2021, Shanghai Congmao Enterprise Management Partnership (Limited Partnership) ("Shanghai Congmao") and China Jin Mao (Group) Company Limited ("Jin Mao Group"), an indirect wholly-owned subsidiary of the Company, entered into the partnership agreement and the asset-backed securities subscription agreement with Huafu Securities Co., Ltd. ("Huafu Securities") respectively, pursuant to which an asset-backed securities scheme would be established to securitize certain properties held by the Group and to raise funds for the Group's operations and business development. Jin Mao Group also entered into the right of first refusal agreement with Huafu Securities on the same date, pursuant to which Jin Mao Group shall be entitled to the corresponding preferential right to purchase the asset-backed securities or underlying assets from Huafu Securities.

On 15 October 2024, Jin Mao Group and Huafu Securities entered into an agreement, pursuant to which, Jin Mao Group exercised the right of first refusal to purchase the underlying assets in the asset-backed securities scheme (i.e. Shanghai Congmao limited partnership interest held by Huafu Securities) at a total consideration of RMB966,000,000.

(b) On 26 August 2024, Jinmao Group completed the issuance of the 2024 second tranche medium-term notes with a total principal amount of HK\$2 billion. The notes are unsecured and have a term of 3 years with a fixed coupon rate of 2.80% per annum.

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

These interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 13 December 2024.