



萬城

MILLION CITIES

萬城控股有限公司 Million Cities Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2892



2022 中期報告
INTERIM REPORT

Contents

目錄

Corporate Information	2	公司資料
Chairman's Statement	4	主席報告
Financial Highlights	8	財務摘要
Management Discussion and Analysis	9	管理層討論及分析
Other Information	20	其他資料
Review Report	30	審閱報告
Consolidated Statement of Profit or Loss	32	綜合損益表
Consolidated Statement of Profit or Loss and Other Comprehensive Income	33	綜合損益及其他全面收益表
Consolidated Statement of Financial Position	34	綜合財務狀況表
Consolidated Statement of Changes in Equity	36	綜合權益變動表
Condensed Consolidated Statement of Cash Flows	37	簡明綜合現金流量表
Notes to the Unaudited Interim Financial Report	39	未經審計中期財務報告附註
Glossary	67	詞彙



Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Ting Chung *BBS, JP (Chairman)*
Mr. Lau Ka Keung *BBS, MH, JP (Chief Executive Officer)*
Mr. Li Wa Tat, Benedict

Independent non-executive Directors

Mr. Ip Shu Kwan, Stephen *GBS, JP*
Mr. Li Yinquan
Mr. Chan Hiu Fung, Nicholas *MH, JP*

BOARD COMMITTEES

Audit Committee

Mr. Li Yinquan *(Chairman)*
Mr. Ip Shu Kwan, Stephen *GBS, JP*
Mr. Chan Hiu Fung, Nicholas *MH, JP*

Remuneration Committee

Mr. Chan Hiu Fung, Nicholas *MH, JP (Chairman)*
Mr. Wong Ting Chung *BBS, JP*
Mr. Lau Ka Keung *BBS, MH, JP*
Mr. Li Yinquan
Mr. Ip Shu Kwan, Stephen *GBS, JP*

Nomination Committee

Mr. Ip Shu Kwan, Stephen *GBS, JP (Chairman)*
Mr. Wong Ting Chung *BBS, JP*
Mr. Lau Ka Keung *BBS, MH, JP*
Mr. Li Yinquan
Mr. Chan Hiu Fung, Nicholas *MH, JP*

Executive Committee

Mr. Lau Ka Keung *BBS, MH, JP (Chairman)*
Mr. Wong Ting Chung *BBS, JP*
Mr. Li Wa Tat, Benedict

COMPANY SECRETARY

Mr. Li Wa Tat, Benedict

AUTHORISED REPRESENTATIVES

Mr. Lau Ka Keung *BBS, MH, JP*
Mr. Li Wa Tat, Benedict

董事會

執行董事

王庭聰先生 *BBS, JP (主席)*
樓家強先生 *BBS, MH, JP (行政總裁)*
李華達先生

獨立非執行董事

葉澍堃先生 *GBS, JP*
李引泉先生
陳曉峰先生 *MH, JP*

董事委員會

審核委員會

李引泉先生 *(主席)*
葉澍堃先生 *GBS, JP*
陳曉峰先生 *MH, JP*

薪酬委員會

陳曉峰先生 *MH, JP (主席)*
王庭聰先生 *BBS, JP*
樓家強先生 *BBS, MH, JP*
李引泉先生
葉澍堃先生 *GBS, JP*

提名委員會

葉澍堃先生 *GBS, JP (主席)*
王庭聰先生 *BBS, JP*
樓家強先生 *BBS, MH, JP*
李引泉先生
陳曉峰先生 *MH, JP*

執行委員會

樓家強先生 *BBS, MH, JP (主席)*
王庭聰先生 *BBS, JP*
李華達先生

公司秘書

李華達先生

授權代表

樓家強先生 *BBS, MH, JP*
李華達先生

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
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P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tai Ping Industrial Centre
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Tai Po, New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
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KY1-1111, Cayman Islands

HONG KONG SHARE REGISTRAR

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Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with
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8/F, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISER

Chiu & Partners
40/F, Jardine House
1 Connaught Place
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of East Asia, Limited

STOCK CODE

2892

WEBSITE OF THE COMPANY

<http://www.millioncities.com.cn>

開曼群島 註冊辦事處

Conyers Trust Company (Cayman) Limited
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KY1-1111, Cayman Islands

香港總部及 主要營業地點

香港新界
大埔汀角路57號
太平工業中心
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開曼群島 主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
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香港證券登記處

香港中央證券登記有限公司
香港灣仔
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核數師

畢馬威會計師事務所
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實體核數師
香港中環
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法律顧問

趙不渝 馬國強律師事務所
香港
康樂廣場1號
怡和大廈40樓

主要往來銀行

恒生銀行有限公司
東亞銀行有限公司

股份代號

2892

本公司網站

<http://www.millioncities.com.cn>

Chairman's Statement

主席報告

Dear shareholders,

On behalf of the Board, I hereby present the interim report of the Group for the six months ended 30 June 2022.

MARKET REVIEW

In the first half of 2022, overall speaking, the economy was relatively volatile. In late March 2022, due to the impacts from the coronavirus ("COVID-19") and the conflict in Ukraine, the economy of the People's Republic of China (the "PRC") faced downward pressure. As such, the Central Government has accelerated the implementation of various supportive policies and measures to stabilise the economy and achieved positive results: major economic indicators posted narrow declines in May and rebounded in June, resulting in a positive growth in the second quarter of 2022. According to the National Bureau of Statistics of China ("NBSC"), the gross domestic product ("GDP") in the first half of 2022 increased by approximately 2.5% as compared with the same period last year. The steady economic recovery in mainland China within a short period of time demonstrated its strong resilience and potential abilities, as the PRC has striven to maintain momentum of economic growth, aiming for best possible results.

The tightening of regulatory policies and credit environment in the real estate market resulted in credit crisis among enterprises. Since the demand for properties weakened and the market sentiment cooled off rapidly, the real estate industry entered a period of drastic adjustment. According to the NBSC, in the first half of 2022, total sales area of commercial buildings sold amounted to approximately 690.0 million square metres ("sq.m."), representing a year-on-year decrease of approximately 22.0% as compared with the same period of last year. In terms of monetary value, sales value of commercial buildings amounted to approximately RMB6.6 trillion, representing a year-on-year decrease of approximately 28.9% as compared with the same period of last year. Besides, the total investment in the real estate sector for the first half of 2022 amounted to approximately RMB6.8 trillion, representing a year-on-year decrease of approximately 5.4%.

致各位股東，

本人謹代表董事會呈報本集團截至2022年6月30日止六個月的中期報告。

市場回顧

2022年上半年，整體經濟情況比較反覆。2022年3月下旬，因受新型冠狀病毒（「COVID-19」）疫情反彈及烏克蘭衝突的影響，中華人民共和國（「中國」）經濟面臨下行壓力。因此，中央政府加快實施穩住經濟的各項支持政策，取得積極成效：主要經濟指標5月份跌幅收窄，6月份回升，保住2022年第二季度正增長。根據中國國家統計局所發佈的數據，2022年上半年國民生產總值較去年同期增長約2.5%。內地經濟在較短時間內企穩回升，展現內地經濟的強大韌性和潛力，中國正努力保持經濟增長的勢頭，力求取得最好的成績。

房地產市場隨著調控政策和信貸環境收緊，企業出現信貸危機，購房意慾轉弱，市場迅速降溫，房地產行業迎來了劇烈的調整期。根據中國國家統計局所發佈的數據，2022年上半年已售商品房總面積約為6.9億平方米，較去年同期同比下降約22.0%。按貨幣價值計，商品房銷售價值約為人民幣6.6萬億元，較去年同期同比下降約28.9%。另外，2022年上半年房地產行業的總投資額約人民幣6.8萬億元，同比減少約5.4%。

The Central Government focuses highly on stabilising market, employment and consumption prices as well as further improving the link between the industrial chain and supply chain, in order to facilitate quick resumption of normal operation of the economy. In anticipation of credit crisis in the real estate market, the Central Government reacted promptly. In July 2022, it is reported that multiple real estate projects, which had been suspended or unfinished earlier, have resumed construction. Local governments also introduced measures at varying degrees for easing the real estate market so as to support and satisfy reasonable housing demand. According to the remarks made by Yi Gang, the Governor of the People's Bank of China, at the G20 Finance Ministers and Central Bank Governors Meeting in July 2022, the PRC's economy is facing downward pressure due to the outbreak of COVID-19 and external shocks, and the People's Bank of China will enforce efforts in implementation of steady monetary policy. Accordingly, we believe that the Central Government will continue to focus on boosting the economy and preventing any bursting bubble in the real estate market in the future.

BUSINESS REVIEW

In response to the challenging market environment, the Group continued to adopt a prudent and low-leverage strategy with an emphasis on cash flow management. The Group also strived to remain fully in compliance with the "Three Red Lines" requirements to maintain its competitive advantages.

中央政府高度重視穩定市場、就業及消費價格，進一步完善產業鍊及供應鏈的銜接，推動經濟運行盡快回歸正常軌道。在預期房地產會出現的信用危機下，中央政府迅速作出反應。2022年7月，據報導多個早前暫停或未完工的房地產項目已復工建設。各地方政府亦推行不同程度放寬房地產市場的措施，為合理性住房需求給予支持及滿足。2022年7月，人民銀行行長易綱在二十國集團財長和央行行長會議上表示，受COVID-19疫情和外部衝擊的影響，中國經濟面臨下行壓力，人民銀行將加大穩健貨幣政策的實施力度。因此，我們相信中央政府將持續著力提振經濟，以及防止房地產市場日後出現任何泡沫爆破。

業務回顧

由於市場環境充滿挑戰，本集團繼續採取穩健及低杠桿的策略，重視現金流管理，並致力保持「三條紅線」全面達標，維持集團的競爭優勢。

In the first half of 2022, the Group recorded an approximately 87.1% year-on-year decrease in revenue to approximately RMB82.0 million, which was mainly due to the decrease in income from sale of Million Cities Tycoon Place Phase 3 in Tianjin, Crown Grand Court villas and Million Cities Legend Phase 3 in Huizhou. The revenue for the same period of last year mainly comprised revenue recognised from the sale of Million Cities Tycoon Place Phase 4, which was completed for delivery during the six months ended 30 June 2021. Furthermore, share of profits less losses of associates for the six months ended 30 June 2022 decreased by approximately 51.0% as only one project, namely Dragon Terrace Phase 2 in Huizhou, was completed for delivery towards the end of the six months ended 30 June 2022. In comparison, two projects, namely Dragon Terrace Phase 1 in Huizhou and Dragon Palace Phase 1 in Henan province, were completed for delivery during the six months ended 30 June 2021. Accordingly, profit for the period attributable to equity shareholders of the Company decreased to approximately RMB39.8 million in the first half of 2022, representing a year-on-year decrease of approximately 66.6%. In the first half of 2022, the Group achieved total properties contracted sales of approximately RMB307.0 million with a total gross floor area ("GFA") of approximately 28,000 sq.m., which was mainly attributable to the sale of Million Cities Legend Phase 3 and Jade Terrace in Huizhou as well as Dragon Palace Phase 2 in Henan Province.

BUSINESS OUTLOOK

Despite the drastic changes in the business layout of the real estate industry, resulting in lower sales volume, narrow profit margin and exposures in credit risks, we believe that, in the long run, the real estate sector will remain being the essential industry for satisfying housing demand. The structural decline is unlikely to affect the market substance of the real estate industry. With the development of urbanisation, the rigid demand for basic and improvement housing will remain strong, and will provide favorable development opportunities for healthy real estate enterprises.

本集團在2022年上半年度的收入同比下降約87.1%至約人民幣8,200萬元，主要是由於天津萬城聚豪花園三期，惠州皇冠豪苑別墅及萬城名座三期的銷售收入減少。去年同期的收入則主要包括於截至2021年6月30日止六個月期間竣工交付的萬城聚豪花園四期的已確認銷售收入。此外，截至2022年6月30日止六個月，應佔聯營公司溢利減虧損減少約51.0%，是由於截至2022年6月30日止六個月只有惠州的玖龍台的二期項目於期末時竣工交付。相較而言，截至2021年6月30日止六個月有惠州的玖龍台一期及河南省的聚瓏灣一期兩個項目竣工交付。因此，2022年上半年度本公司權益股東應佔期間盈利減少至約人民幣3,980萬元，同比下降約66.6%。本集團於2022年上半年度內，錄得物業合同銷售總額約人民幣3.07億元；銷售的總建築面積約28,000平方米，主要來自於銷售惠州萬城名座三期及玖瓏台，以及河南省的聚瓏灣2期。

未來前景及展望

儘管房地產行業的格局已經發生深刻變化，面對銷售下行，盈利空間收窄及信貸風險等，但我們相信長遠而言，房地產仍是滿足人民居住需求的重要行業，結構性下行不會影響房地產行業的市場本質。隨著城鎮化建設的發展，住房剛性需求和改善性需求依然強盛，將提供穩健房企良性發展的機遇。

As a crucial sector for domestic economic development, the real estate industry has to be managed in a stable manner. As such, the government authorities launched a series of policies in 2022 to provide guidance for the stable development of the real estate market. Several revitalisation measures were introduced in Huizhou, where the real estate business of the Group mainly focuses on. The implementation of policies, such as Huizhou's Key Working Arrangements for Promoting the Construction of the GBA in 2022 (《惠州市推進粵港澳大灣區建設2022年主要工作安排》) and the Notice on Promoting the Healthy Development and Virtuous Cycle of the Real Estate Industry (《關於促進房地產業健康發展和循環的通知》), also known as the Six Measures for Huizhou (“惠6條”), formulates a solid foundation for the favorable development of the real estate industry of Huizhou in the future and reinforce the development strategies of the Group for consolidating its deployment in Huizhou while focusing on the Greater Bay Area (including Hong Kong). In the future, the Group will continuously keep abreast of policy and market development in order to create sophisticated products and uphold its brand value.

In addition, the Group will continue to identify and explore investment opportunities, including certain sustainable development projects, so as to create long-term value to the shareholders of the Company (the “Shareholders”) and potential investors.

ACKNOWLEDGEMENT

On behalf of the Board, I hereby express my heartfelt gratitude to all Shareholders, investors, business partners, customers, and all related parties in the community for their trust and support, and our staff for their efforts and contributions to the Group's development.

Wong Ting Chung
Chairman

29th August 2022

房地產作為國民經濟發展的一個重要產業，需要以穩為主，因此，2022年相關部委出台了一系列政策措施穩定房地產市場。在本集團房地產業務重點集中的惠州市陸續出台多項提振措施，例如《惠州市推進粵港澳大灣區建設2022年主要工作安排》、《關於促進房地產業健康發展和循環的通知》等政策（亦稱「惠6條」）的實施為惠州未來房地產的良性發展奠定了堅實的基礎，也堅定了本集團深耕惠州，專注於粵港澳大灣區（包括香港）的發展策略。未來，本集團將繼續積極關注政策及市場走向，打造精製產品，實現品牌價值。

此外，集團將繼續發掘及開拓潛在商機，包括探討一些可持續發展的項目投資機會，為本公司股東（「股東」）及投資者創造長期價值。

致謝

本人藉此機會代表董事會對公司全體股東、投資者、合作夥伴、客戶及社會各界的信任和支持，以及各員工對本集團發展的努力和貢獻致以衷心的謝意。

王庭聰
主席

2022年8月29日

Financial Highlights

財務摘要

Six months ended 30 June 截至6月30日止六個月

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Revenue	收入	81,967	636,022
Profit for the period	期內溢利	33,060	127,657
Profit attributable to equity shareholders of the Company	本公司權益股東應佔溢利	39,798	119,197
Earnings per share (RMB cents)	每股盈利(人民幣分)	5.31	15.89
		At 30 June 2022 2022年 6月30日	At 31 December 2021 2021年 12月31日
Debt-to-assets ratio	資產負債率	53.76%	55.21%

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

財務回顧

		Six months ended 30 June 截至6月30日止六個月			
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	Increase/(Decrease) 增加/(減少)	
				RMB'000 人民幣千元	%
Revenue	收入	81,967	636,022	(554,055)	-87.11%
Cost of sales	銷售成本	(58,871)	(489,012)	(430,141)	-87.96%
Gross profit	毛利	23,096	147,010	(123,914)	-84.29%
Valuation gains on investment properties	投資物業估值收益	—	500	(500)	-100.00%
Other net income	其他收入淨額	2,769	2,497	272	10.89%
Selling expenses	銷售開支	(6,565)	(27,230)	(20,665)	-75.89%
Administrative expenses	行政開支	(31,737)	(30,137)	1,600	5.31%
Other expenses	其他開支	(1,331)	(1,115)	216	19.37%
(Loss)/Profit from operations	經營(虧損)/溢利	(13,768)	91,525	(105,293)	-115.04%
Finance costs	融資成本	(531)	(23,061)	(22,530)	-97.70%
Share of profits less losses of associates	應佔聯營公司溢利減虧損	49,515	100,992	(51,477)	-50.97%
Profit before taxation	除稅前溢利	35,216	169,456	(134,240)	-79.22%
Income tax	所得稅	(2,156)	(41,799)	(39,643)	-94.84%
Profit for the period	期內溢利	33,060	127,657	(94,597)	-74.10%
Profit for the period attributable to equity shareholders of the Company	本公司權益股東應佔期內溢利	39,798	119,197	(79,399)	-66.61%
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利(人民幣分)	5.31	15.89	(10.58)	-66.58%

Revenue

The Group's revenue mainly represented income from sale of properties and gross rentals from properties earned during the six months ended 30 June 2022, net of sales related taxes and discounts allowed.

Revenue from sale of properties has constituted, and is expected to continue to constitute, a majority of the Group's total revenue.

Property development

(i) Contracted sales

During the six months ended 30 June 2022, the Group continued the pre-sale of Jade Terrace Phases 1 and 2, Million Cities Legend Phase 3, Dragon Palace Phase 1 section 3, Phase 2 Section 4 and Section 5, Legend Plaza as well as the sale of Million Cities Tycoon Place Phase 3 and the villas of Crown Grand Court. Total properties contracted sales (based on GFA of sales consent), including sale of properties by the associates of the Group, amounted to approximately RMB307.0 million, representing a GFA of approximately 28,000 sq.m. sold during the six months ended 30 June 2022.

(ii) Land bank

As at 30 June 2022, the total GFA of the Group's land bank was about 1,638,500 sq.m., out of which (i) about 303,300 sq.m. GFA was unsold completed properties projects; (ii) about 318,400 sq.m. GFA was unsold and under construction; and (iii) about 1,016,800 sq.m. GFA was reserved for future development.

收入

本集團的收入主要指於截至2022年6月30日止六個月期間取得的物業銷售收入及物業租金總額，已扣除銷售相關稅項及所給予折扣。

銷售物業所得收入一向及預計會繼續佔本集團總收入的重大部分。

物業發展

(i) 合約銷售

截至2022年6月30日止六個月期間，本集團繼續預售玖璟台一期及二期、萬城名座三期、聚瓏灣一期第三標段、二期第四標段及第五標段、名座廣場，以及銷售萬城聚豪三期及皇冠豪苑別墅。截至2022年6月30日止六個月期間，物業合約銷售總額(按銷售認購書的建築面積計)包括本集團聯營公司物業銷售額，約為人民幣3.07億元，已售建築面積約28,000平方米。

(ii) 土地儲備

於2022年6月30日，本集團土地儲備總建築面積約為1,638,500平方米，其中(i)已竣工物業項目的未售建築面積約為303,300平方米；(ii)未售及在建的建築面積約為318,400平方米；及(iii)留作未來發展的建築面積約為1,016,800平方米。

Revenue

Revenue from sale of properties for the six months ended 30 June 2022 amounted to approximately RMB80.4 million, as compared with approximately RMB634.5 million reported for the six months ended 30 June 2021, representing a decrease by approximately 87.3%. Revenue recognised for the six months ended 30 June 2022 was mainly contributed by Million Cities Tycoon Place Phase 3, the villas of Crown Grand Court and overtime recognised revenue of Million Cities Legend Phase 3, which was lower than that for the six months ended 30 June 2021 as it mainly recognised revenue of Million Cities Tycoon Place Phase 4 which was completed and delivered during the six months ended 30 June 2021.

Rental income

Gross rental income from investment properties and inventories for the six months ended 30 June 2022 was approximately RMB1.6 million, as compared with approximately RMB1.5 million reported for the six months ended 30 June 2021, representing an increase by 4.8%. The increase in gross rental income was mainly due to the increase in rental income from the carparks and investment properties for the six months ended 30 June 2022.

Cost of sales

Cost of sales for the six months ended 30 June 2022 was approximately RMB58.9 million, as compared with approximately RMB489.0 million reported for the six months ended 30 June 2021, representing a decrease by approximately 88.0%. The decrease in cost of sales was mainly due to the proportional decrease in revenue from sale of properties.

Gross profit and gross profit margin

The gross profit for the six months ended 30 June 2022 was approximately RMB23.1 million, representing a decrease by approximately 84.3%, as compared with the same period last year of approximately RMB147.0 million. The decrease in gross profit was mainly due to decrease of revenue.

The gross profit margin for the six months ended 30 June 2022 was increased to approximately 28.2% (six months ended 30 June 2021: 23.1%). The increase was mainly due to higher gross profit margin achieved by the Huizhou projects, as compared with the project in Tianjin, attributable to different sales and costs structures in different locations.

收入

截至2022年6月30日止六個月，本集團銷售物業所得收入約人民幣8,040萬元，而2021年6月30日止六個月為約人民幣6.345億元，相較減少約87.3%。截至2022年6月30日止六個月確認的收入(主要來自萬城聚豪三期和皇冠豪苑別墅與萬城名座三期於某段時間確認的收入)低於截至2021年6月30日止六個月確認的收入(主要來自截至2021年6月30日止六個月竣工交付的萬城聚豪四期確認的收入)。

租金收入

截至2022年6月30日止六個月的投資物業及存貨的租金收入總額約為人民幣160萬元，較截至2021年6月30日止六個月呈報的約人民幣150萬元增加4.8%。租金收入總額增加主要是由於截至2022年6月30日止六個月停車場及投資物業的租金收入增加。

銷售成本

截至2022年6月30日止六個月的銷售成本約為人民幣5,890萬元，較截至2021年6月30日止六個月呈報的約人民幣4.89億元減少約88.0%。銷售成本減少主要是由於物業銷售收入按比例減少所致。

毛利及毛利率

截至2022年6月30日止六個月的毛利約為人民幣2,310萬元，較去年同期的約人民幣1.47億元減少約84.3%，主要是由於收入減少所致。

截至2022年6月30日止六個月的毛利率增加至約28.2%(截至2021年6月30日止六個月: 23.1%)。毛利率增加主要是由於不同地點的銷售及成本結構差異，惠州項目錄得的毛利率相對天津項目為高所致。

Valuation gains on investment properties

There was no valuation gains on investment properties for the six months ended 30 June 2022, and valuation gains on investment properties for the six months ended 30 June 2021 amounted to RMB0.5 million.

Other net income

Other net income for the six months ended 30 June 2022 was approximately RMB2.8 million, as compared with approximately RMB2.5 million for the six months ended 30 June 2021, representing an increase by approximately 10.9%, which was mainly due to the increase in interest income during the six months ended 30 June 2022.

Selling expenses

Selling expenses for the six months ended 30 June 2022 were approximately RMB6.6 million, as compared with approximately RMB27.2 million reported for the six months ended 30 June 2021, representing a decrease by approximately 75.9%. The decrease in selling expenses was mainly due to (i) the decrease in sale of properties; and (ii) lower commission incurred for the sale of the Huizhou projects.

Administrative expenses

Administrative expenses for the six months ended 30 June 2022 were approximately RMB31.7 million, as compared with approximately RMB30.1 million reported for the six months ended 30 June 2021, representing an increase by approximately 5.3%.

Share of profits less losses of associates

Share of profits less losses of associates amounted to approximately RMB49.5 million for the six months ended 30 June 2022, as compared with approximately RMB101.0 million for the six months ended 30 June 2021, representing a decrease by approximately 51.0% as only one project, namely Dragon Terrace Phase 2 in Huizhou, was completed and delivered by the end of 30 June 2022. In comparison, two projects, namely Dragon Terrace Phase 1 in Huizhou and Dragon Palace Phase 1 in Henan province, were completed and delivered for the six months ended 30 June 2021.

投資物業估值收益

截至2022年6月30日止六個月的投資物業並無估值收益。截至2021年6月30日止六個月的投資物業估值收益為人民幣50萬元。

其他收入淨額

截至2022年6月30日止六個月的其他收入淨額約人民幣280萬元，較截至2021年6月30日止六個月的約人民幣250萬元增加約10.9%，主要是由於截至2022年6月30日止六個月的利息收入增加所致。

銷售開支

截至2022年6月30日止六個月的銷售開支約為人民幣660萬元，較截至2021年6月30日止六個月的約人民幣2,720萬元減少約75.9%。銷售開支減少主要是由於(i)物業銷售額減少；及(ii)惠州項目銷售產生的佣金較低所致。

行政開支

截至2022年6月30日止六個月的行政開支約為人民幣3,170萬元，相較截至2021年6月30日止六個月呈報的約人民幣3,010萬元約增加5.3%。

應佔聯營公司溢利減虧損

截至2022年6月30日止六個月，應佔聯營公司溢利減虧損約為人民幣4,950萬元，較截至2021年6月30日止六個月約人民幣1.01億元減少約51.0%，是由於截至2022年6月30日僅有惠州的玖龍台二期一個項目於期末竣工交付，相較而言，截至2021年6月30日止六個月則有惠州的玖龍台一期及河南省的聚瓏灣一期兩個項目竣工交付。

Finance costs

Finance costs for the six months ended 30 June 2022 were approximately RMB0.5 million, as compared with approximately RMB23.1 million for the six months ended 30 June 2021, representing a decrease by approximately 97.7% due to (i) the recognition of significant financing component costs incurred from the delivery of Million Cities Tycoon Place Phase 4 during the period between completion of such project in January 2021 and delivery thereof in May 2021. No such significant financing component costs were incurred for the six months ended 30 June 2022; and (ii) the repayment of a bank loan of approximately RMB160.0 million for the six months ended 30 June 2022.

Income tax

For the six months ended 30 June 2022, income tax was approximately RMB2.2 million, representing a decrease of approximately RMB39.6 million, as compared with income tax of approximately RMB41.8 million for the six months ended 30 June 2021, mainly due to the decrease in profit from operations.

Profit for the period attributable to equity shareholders of the Company

Profit for the period attributable to equity shareholders of the Company for the six months ended 30 June 2022 was approximately RMB39.8 million, representing a decrease of approximately RMB79.4 million or approximately 66.6%, as compared with that of the six months ended 30 June 2021. Such decrease was mainly due to the decrease in profits from subsidiaries and share of profits less losses of associates of the Group for the six months ended 30 June 2022 as mentioned above.

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For the six months ended 30 June 2022, the Group's cash and cash equivalents were mainly used in the Group's business operations, to service the Group's indebtedness and to fund the Group's working capital. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and borrowings. The Group's gearing ratio as at 30 June 2022 was approximately 11.5%, as compared with approximately 23.7% as at 31 December 2021. Such decrease was mainly due to the repayment of bank loans during the six months ended 30 June 2022.

融資成本

截至2022年6月30日止六個月的融資成本約為人民幣50萬元，較截至2021年6月30日止六個月的約人民幣2,310萬元減少約97.7%，是由於(i)於萬城聚豪花園四期在2021年1月竣工至2021年5月交付期間確認該項目交付產生的重大融資部分成本。截至2022年6月30日止六個月並無該等重大融資部分成本產生；及(ii)截至2022年6月30日止六個月期間已償還銀行貸款約人民幣1.60億元。

所得稅

截至2022年6月30日止六個月的所得稅約為人民幣220萬元，較截至2021年6月30日止六個月的所得稅約人民幣4,180萬元減少約人民幣3,960萬元，主要原因為經營溢利減少所致。

本公司權益股東應佔期內溢利

截至2022年6月30日止六個月，本公司權益股東應佔期內溢利約為人民幣3,980萬元，較截至2021年6月30日止六個月減少約人民幣7,940萬元或約66.6%。該減少主要是由於截至2022年6月30日止六個月本集團附屬公司溢利及應佔聯營公司溢利減虧損的減少(如上所述)所致。

其他財務資料

流動資金及資金來源

截至2022年6月30日止六個月，本集團的現金及現金等價物主要用作本集團的業務營運、償還債務及撥付營運資金。本集團主要通過經營活動所得現金及借款應付資金需求。本集團於2022年6月30日的負債比率約為11.5%，而2021年12月31日約為23.7%。該減少主要是由於截至2022年6月30日止六個月期間償還銀行貸款所致。

Management Discussion and Analysis (Continued)
管理層討論及分析(續)

The gearing ratio is calculated as interest bearing bank loans divided by equity.

As at 30 June 2022, the Group's cash and cash equivalents, amounting to approximately RMB208.8 million, were denominated in HK\$(23.8%) and RMB(76.2%).

As at 30 June 2022, the Group's bank loans were due for repayment as follows:

負債比率等於計息銀行貸款除以權益。

於2022年6月30日，本集團的現金及現金等價物約人民幣2.088億元，以港元(23.8%)及人民幣(76.2%)計值。

於2022年6月30日，本集團的銀行貸款的到期償還情況如下：

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Within one year	一年內	16,000	164,099
After one year but within two years	一年後但兩年內	24,000	38,400
After two years but within five years	兩年後但五年內	120,000	120,000
		160,000	322,499

Notes:

- (a) The above amounts due are based on the scheduled repayment dates set out in the relevant agreements and ignore the effect of any repayment on demand clause.
- (b) As at 30 June 2022, the Group's borrowings were denominated in RMB. The bank loans are interest-bearing at one-year Loan Prime Rate ("LPR") published by the People's Bank of China plus 1.95% per annum (31 December 2021: one-year LPR plus 1.25% to 1.95% per annum).
- (c) As at 30 June 2022, the Group's certain borrowings were secured by inventories with a total carrying amount of approximately RMB402.5 million (31 December 2021: RMB424.8 million).

附註：

- (a) 以上到期款項乃基於相關協議中載列的計劃還款日期，且不考慮任何要求隨時還款條款的影響。
- (b) 於2022年6月30日，本集團的借款均以人民幣計值。銀行貸款按中國人民銀行公佈的一年期貸款市場報價利率(「貸款市場報價利率」)加年息1.95%計算(2021年12月31日：按一年期貸款市場報價利率加年息1.25%至1.95%計算)。
- (c) 於2022年6月30日，本集團若干借款由總賬面值約人民幣4.025億元的存貨作抵押(2021年12月31日：人民幣4.248億元)。

Financial risk management objectives and policies

The Group's management has adopted certain policies on financial risk management with the objectives of: (i) ensuring appropriate funding strategies being adopted to meet the Group's short term and long term funding requirements after taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring appropriate strategies also being adopted to minimise the interest rate risk, credit risk and liquidity risk.

Foreign currency risk

The Group mainly operates in Hong Kong and the PRC with majority of the transactions settled in HK\$ and RMB. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Directors consider the Group's foreign currency risk exposure is minimal since all of the sales, assets and liabilities are denominated in RMB and only a small portion of operating expenses are denominated in HK\$.

Interest rate risk

The Group's interest rate risk arises primarily from borrowings and cash at bank. Borrowings and cash at bank issued at variable rates expose the Group to cash flow interest rate risk, and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for the six months ended 30 June 2022, but the Board will continue monitoring the Group's loan portfolio closely in order to manage the Group's interest rate risk exposure.

Credit risk

As of 30 June 2022, no material trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during the six months ended 30 June 2022.

金融風險管理目標及政策

本集團的管理層已採用有關金融風險管理的若干政策，以(i)確保採用適當的資金策略應對本集團的短期及長期資金需求(經衡量本集團的資金成本、負債比率及現金流量預測)；及(ii)確保採用適當的策略減少利率風險、信貸風險及流動資金風險。

外匯風險

本集團主要在香港及中國營運，大部分交易以港元及人民幣結算。當未來業務交易或已確認資產或負債以非實體功能貨幣計值時，將面臨外匯風險。董事認為，由於所有銷售、資產及負債均以人民幣計值，只有少部分營運開支以港元計值，故本集團的外匯風險較小。

利率風險

本集團的利率風險主要源於借款及銀行現金。按浮動利率授出的借款及銀行現金，使本集團承受現金流利率風險；按固定利率授出的借款，使本集團承受公平值利率風險。截至2022年6月30日止六個月，本集團並無使用金融工具對沖利率風險，惟董事會將繼續密切監察本集團的貸款組合以管理本集團的利率風險。

信貸風險

於2022年6月30日，本集團並無重大的逾期應收賬款。本集團一般於移交物業前向買方收取全數款項。就尚未悉數結付的按揭銷售而言，除非收到來自提供按揭之銀行的確認書，確認有關按揭已獲批准，否則本集團將不會交付物業予客戶。此外，本集團僅於收到全數銷售所得款項後，方會將物業業權移交客戶。因此，本集團認為預計無法收回應收賬款的機會很低，而截至2022年6月30日止六個月並無就應收賬款確認壞賬撥備。

As at 30 June 2022, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the PRC which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital expenditures

During the six months ended 30 June 2022, the Group had no capital expenditures (six months ended 30 June 2021: RMB4.4 million).

Capital commitments

The Group's capital commitments as at 30 June 2022 amounted to approximately RMB79.4 million (31 December 2021: RMB155.40 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 30 June 2022, the Group's inventories with a total carrying amount of approximately RMB402.5 million (31 December 2021: RMB424.8 million) were pledged to banks to secure certain banking facilities granted to the Group.

於2022年6月30日，本集團的所有銀行結餘及存款均存置於董事認為具有高信貸質素的香港及中國主要金融機構。董事預期不會因此等金融機構不履約而產生任何損失。

流動資金風險

流動資金風險乃本集團在履行與金融負債相關的責任時會遇到困難的風險。本集團的政策是定期監察流動資金需求以及是否符合借款契約規定，確保維持充裕的現金儲備，同時獲得主要金融機構承諾提供足夠的備用資金，以應付長短期流動資金需求。本集團未曾且預期不會在履行到期的信貸責任時遇到任何困難。

資本開支

截至2022年6月30日止六個月期間，本集團並無資本開支(截至2021年6月30日止六個月：人民幣440萬元)。

資本承擔

於2022年6月30日，本集團的資本承擔約為人民幣7,940萬元(2021年12月31日：人民幣1.554億元)，主要與本集團在建物業的開發成本有關。

資產抵押

於2022年6月30日，本集團總賬面值約人民幣4.025億元(2021年12月31日：人民幣4.248億元)的存貨已就本集團獲授的若干銀行融資而抵押予銀行。

Contingent liabilities

As at 30 June 2022, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB339.7 million as at 30 June 2022 (31 December 2021: RMB223.0 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

Operating segment information

The Group's revenue and results for the six months ended 30 June 2022 were mainly derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management of the Group considers there is only one operating segment.

Events after balance sheet date

The Group had no significant events after balance sheet date.

或然負債

於2022年6月30日，本集團就若干買家按揭貸款購置物業向銀行提供擔保。於2022年6月30日，未了結銀行擔保約為人民幣3.397億元（2021年12月31日：人民幣2.23億元），有關擔保將於物業法定業權轉讓予買家後終止。董事認為，本集團不會因買家拖欠款項而蒙受重大損失，原因是銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為其公平值並不重大。

經營分部資料

本集團截至2022年6月30日止六個月的收入及業績主要來自物業開發。績效評估乃基於本集團整體業績。因此，本集團管理層認為僅有一個經營分部。

結算日後事項

結算日後本集團並無重大事項。

HUMAN RESOURCES

Human resources and emolument policy

As at 30 June 2022, the Group had a total of 173 (31 December 2021: 200) full-time employees in the PRC and Hong Kong. For the six months ended 30 June 2022, the total staff costs, including the Directors' emoluments, amounted to approximately RMB21.3 million (six months ended 30 June 2021: RMB21.1 million), of which approximately RMB7.4 million (six months ended 30 June 2021: RMB5.4 million) were capitalised into inventories.

The Group's emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Hong Kong and the PRC. Other employee benefits include performance-linked bonuses, insurance and medical coverage and share options.

Since human resources management is an important factor in maintaining and enhancing the Group's strong expertise in the property development, the Group will provide appropriate training programs to the employees as the Group sees fit. From time to time, different on-the-job training will be provided to employees in order to ensure continuous staff development and skills upgrading.

人力資源

人力資源及薪酬政策

於2022年6月30日，本集團於中國及香港僱用合共173名全職僱員(2021年12月31日：200名)。截至2022年6月30日止六個月，員工成本總額(包括董事酬金)約為人民幣2,130萬元(截至2021年6月30日止六個月：人民幣2,110萬元)，其中約人民幣740萬元已資本化為存貨(截至2021年6月30日止六個月：人民幣540萬元)。

本集團的薪酬政策乃根據個別僱員的表現及經驗而制訂，並符合香港及中國的薪金趨勢。其他僱員福利包括表現掛鈎花紅、保險及醫療保障以及購股權。

由於人力資源管理為維持及提高本集團於物業開發方面的豐富經驗的重要因素，故本集團將酌情為僱員提供合適的培訓計劃。本集團將不時向僱員提供不同的在職培訓，以確保員工的持續發展及技能升級。

Remuneration policy of Directors and senior management

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group's operations. The Remuneration Committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

董事及高級管理層的薪酬政策

本集團董事及高級管理層可獲得薪金及與本集團表現掛鈎的酌情花紅等報酬。本集團亦就彼等為本集團提供服務或為本集團營運而執行職務所產生的必要及合理開支補償相關款項。薪酬委員會將參照(其中包括)可比較公司所支付薪酬的市場水平、董事及高級管理層各自的責任及本集團的業績,定期審閱及釐定董事及高級管理層薪酬及待遇。

Other Information

其他資料

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

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

For the six months ended 30 June 2022, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for the six months ended 30 June 2022.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and aligns with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the six months ended 30 June 2022.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

中期股息

董事不建議就截至2022年6月30日止六個月派付任何中期股息(截至2021年6月30日止六個月：零)。

購買、出售或贖回本公司上市證券

截至2022年6月30日止六個月，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治守則

本公司相信良好的企業管治可為本公司股東創造價值，董事會通過著重董事會質素、良好內部監控及有效問責，致力為全體股東維持高標準的企業管治常規。本公司已採納上市規則附錄十四所載企業管治守則的守則條文，作為本身的企業管治守則。董事認為，本公司截至2022年6月30日止六個月一直遵守企業管治守則所載全部法定守則條文。

董事會將繼續加強企業管治常規，以確保遵守企業管治守則及配合最新之發展。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易的守則。

經本公司作出特定查詢後，全體董事確認，截至2022年6月30日止六個月，彼等完全遵守標準守則及本公司的行為守則所規定標準。

可能擁有本集團內幕消息的相關僱員亦須遵守條款不寬鬆於標準守則所載規定標準的書面指引。每名相關僱員已獲發一份書面指引。

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the six months ended 30 June 2022.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Li Yinquan (chairman of the Audit Committee who possesses appropriate professional qualification or accounting or related financial management expertise), Mr. Ip Shu Kwan, Stephen, and Mr. Chan Hiu Fung, Nicholas. The written terms of reference of the Audit Committee have been made available on the Company's website at www.millioncities.com.cn and on the website of the Stock Exchange.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed with the external auditor the interim financial report of the Group for the six months ended 30 June 2022.

截至2022年6月30日止六個月，本公司並無獲悉相關僱員未有遵守此等指引的情況。

審核委員會

審核委員會包括三名獨立非執行董事，分別為李引泉先生（審核委員會主席，具有合適專業資格或會計或相關財務管理專業資歷）、葉樹堃先生及陳曉峰先生。審核委員會的書面職權範圍已刊載於本公司網站www.millioncities.com.cn及聯交所網站。

審核委員會主要職責為協助董事會就本集團財務申報過程、內部監控及風險管理系統的成效提出獨立意見、以監察審核程序、制定及檢討政策及履行董事會委派的其他職責及職務。審核委員會已與外部核數師共同審閱本集團截至2022年6月30日止六個月的中期財務報告。

UPDATES ON DIRECTORS' INFORMATION

For the six months ended 30 June 2022 and up to the date of this report, there were changes in the information of the Directors as follows:

Mr. Chan Hiu Fung, Nicholas ("Mr. Chan") was appointed as an independent non-executive director and a member of the nomination committee of Genertec Universal Medical Group Company Limited (stock code: 2666), with effect from 22 June 2022.

Mr. Chan was appointed as the director of Asian African Legal Consultative Organization (AALCO) Hong Kong Regional Arbitration Centre, which is established under AALCO, an intergovernmental organization with 47 member countries comprising of major states from Asia and Africa, with effect from 18 May 2022.

Mr. Chan ceased his role as the vice chairman of eBRAM International Online Dispute Resolution Centre Limited, a non-governmental organisation in Hong Kong that focuses on establishing Hong Kong as a world leading online dispute resolution centre, with effect from 23 June 2022.

Mr. Lau Ka Keung was awarded the Bronze Bauhinia Star (BBS) by the Hong Kong government on 27 July 2022.

Save as disclosed above, upon specific enquiry by the Company and based on the confirmation from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules for the six months ended 30 June 2022 and up to the date of this report.

董事資料更新

截至2022年6月30日止六個月及直至本報告日期，董事資料的變更如下：

陳曉峰先生(「陳先生」)已獲委任為通用環球醫療集團有限公司(股份代號：2666)之獨立非執行董事兼提名委員會成員，自2022年6月22日起生效。

自2022年5月18日起，陳先生已獲委任為亞洲－非洲法律協商組織(亞非法協)香港區域仲裁中心之董事，該中心於亞非法協下成立，而亞非法協為由亞洲及非洲大多數國家所組成，擁有47個成員國的跨政府組織。

自2022年6月23日起，陳先生已不再擔任香港非政府組織一邦國際網上仲調中心有限公司副主席，該組織專注於將香港打造為世界領先的網上仲調中心。

於2022年7月27日，樓家強先生獲香港政府頒授銅紫荊星章(BBS)。

截至2022年6月30日止六個月及直至本報告日期，除上文所披露者外，經本公司作出特別查詢及董事確認，概無須根據上市規則第13.51B(1)條披露的董事資料變更。

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

The interests and/or short positions of Directors and chief executive of the Company, in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as at 30 June 2022 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code, are set out below:

權益披露

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2022年6月30日，本公司董事及主要行政人員於本公司的股份及相關股份(定義見證券及期貨條例第XV部)中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的權益及/或淡倉或根據標準守則須知會本公司及證監會的權益及/或淡倉如下：

Long position in the ordinary shares of the Company

本公司普通股的好倉

Name of Directors 董事姓名	Nature of interests 權益性質	Number of ordinary shares/ underlying shares held or interested in 所持或擁有 權益的普通股/ 相關股份數目	Approximate percentage of the issued share capital of the Company ⁽⁵⁾ 佔本公司 已發行股本的 概約百分比 ⁽⁵⁾
Mr. Wong Ting Chung ⁽¹⁾⁽³⁾⁽⁶⁾ 王庭聰先生 ⁽¹⁾⁽³⁾⁽⁶⁾	Beneficiary of a trust 信託受益人	562,500,000	75.0%
	Beneficial owner 實益擁有人	3,000,000	0.4%
Mr. Lau Ka Keung ⁽²⁾⁽³⁾⁽⁶⁾ 樓家強先生 ⁽²⁾⁽³⁾⁽⁶⁾	Interest of spouse 配偶權益	562,500,000	75.0%
	Beneficial owner 實益擁有人	3,000,000	0.4%
Mr. Ip Shu Kwan, Stephen ⁽⁴⁾ 葉澍堃先生 ⁽⁴⁾	Beneficial owner 實益擁有人	1,500,000	0.2%
Mr. Li Yinquan ⁽⁴⁾ 李引泉先生 ⁽⁴⁾	Beneficial owner 實益擁有人	1,500,000	0.2%
Mr. Li Wa Tat, Benedict 李華達先生	Beneficial owner 實益擁有人	4,000	0.0005%

Other Information (Continued)
其他資料(續)

- Note 1: Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- 附註1: 王庭聰先生為庭槐信託的授予人、保護人及受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- Note 2: Mr. Lau Ka Keung is the spouse of Ms. Wong Wai Ling, who is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- 附註2: 樓家強先生為王惠玲女士(庭槐信託的受益人之一)配偶，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- Note 3: Each of Mr. Wong Ting Chung and Mr. Lau Ka Keung has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 3,000,000 ordinary shares to each of them.
- 附註3: 王庭聰先生及樓家強先生各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行3,000,000股普通股。
- Note 4: Each of Mr. Ip Shu Kwan, Stephen and Mr. Li Yinquan has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 1,500,000 ordinary shares to each of them.
- 附註4: 葉澍堃先生及李引泉先生各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行1,500,000股普通股。
- Note 5: The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2022.
- 附註5: 按2022年6月30日已發行普通股總數750,000,000股計算。
- Note 6: On 9 September 2021, the Company and Fortune Speed Investments Limited (“Fortune Speed”) entered into a conditional subscription agreement (the “Subscription Agreement”) pursuant to which Fortune Speed has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Fortune Speed, 290,000,000 new non-voting and non-convertible preference shares of HK\$0.01 each in the share capital of the Company (the “Non-Convertible Preference Shares”). As at 30 June 2022, the subscription of the Non-Convertible Preference Shares was lapsed.
- 附註6: 於2021年9月9日，本公司與瑞迅投資有限公司(「瑞迅」)訂立有條件的認購協議(「認購協議」)，據此，瑞迅有條件同意認購，且本公司有條件同意向瑞迅配發及發行本公司股本中每股面值0.01港元的290,000,000股新的無投票權及不可轉換優先股(「不可轉換優先股」)。於2022年6月30日，不可轉換優先股的認購失效。

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2022 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code.

Other than the Share Option Scheme, at no time during the six months ended 30 June 2022 and up to the date of this interim report was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Substantial shareholders' and other persons' interests and short positions in the shares and underlying shares

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 30 June 2022, the following persons or corporations (other than the Directors and chief executive of the Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

除上文所披露者外，於2022年6月30日，概無本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的任何權益或淡倉或根據標準守則須知會本公司及證監會的權益或淡倉。

除購股權計劃外，本公司或其任何附屬公司、控股公司或有關控股公司的任何附屬企業(定義見公司(董事報告)規例)於截至2022年6月30日止六個月及直至本中期報告日期內任何時間概無訂立目標或目標之一為致使董事可透過購買本公司或任何其他法人團體的股份或債權證以獲得利益的任何安排。除上文所披露者外，概無董事及本公司主要行政人員(包括彼等的配偶及未滿18歲的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的證券中擁有任何權益或獲授予可認購該等證券的任何權利，或已行使任何有關權利。

主要股東及其他人士於股份及相關股份中的權益及淡倉

除下文所披露者外，據董事及本公司主要行政人員所知，於2022年6月30日，下列人士或法團(董事及本公司主要行政人員除外)於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的權益及／或淡倉，或須記錄於證券及期貨條例第336條規定存置的登記冊的權益及／或淡倉：

Other Information (Continued)
其他資料(續)

Long position in the ordinary shares of the Company

本公司普通股的好倉

Name of substantial shareholders	Nature of interest	Number of ordinary shares held or interested in	Approximate percentage of issued share capital of the Company ⁽⁸⁾
主要股東名稱／姓名	權益性質	所持或擁有權益的普通股數目	佔本公司已發行股本的概約百分比 ⁽⁸⁾
Fortune Speed Investments Limited ⁽¹⁾⁽⁹⁾ 瑞迅投資有限公司 ⁽¹⁾⁽⁹⁾	Beneficial owner 實益擁有人	562,500,000	75.0%
Winnermax Management Limited ⁽¹⁾⁽⁹⁾ 恒威管理有限公司 ⁽¹⁾⁽⁹⁾	Interest in a controlled corporation 於受控制法團權益	562,500,000	75.0%
Happy Family Assets Limited ⁽¹⁾⁽⁹⁾ 庭槐資產有限公司 ⁽¹⁾⁽⁹⁾	Interest in a controlled corporation 於受控制法團權益	562,500,000	75.0%
East Asia International Trustees Limited ⁽¹⁾⁽⁹⁾ East Asia International Trustees Limited ⁽¹⁾⁽⁹⁾	Trustee of a trust 信託受託人	562,500,000	75.0%
Ms. Wang Kam Chu ⁽²⁾⁽⁹⁾ Wang Kam Chu女士 ⁽²⁾⁽⁹⁾	Interest of spouse 配偶權益	565,500,000	75.4%
Ms. Wong Wai Ling ⁽³⁾⁽⁹⁾ 王惠玲女士 ⁽³⁾⁽⁹⁾	Beneficiary of a trust 信託受益人	562,500,000	75.0%
	Interest of spouse 配偶權益	3,000,000	0.4%
Mr. Wong Ting Kau ⁽⁴⁾⁽⁹⁾ 王庭交先生 ⁽⁴⁾⁽⁹⁾	Beneficiary of a trust 信託受益人	562,500,000	75.0%
Mr. Wong Ting Chun ⁽⁵⁾⁽⁹⁾ 王庭真先生 ⁽⁵⁾⁽⁹⁾	Beneficiary of a trust 信託受益人	562,500,000	75.0%
Ms. Chan Ka Wai ⁽⁶⁾⁽⁹⁾ Chan Ka Wai女士 ⁽⁶⁾⁽⁹⁾	Interest of spouse 配偶權益	562,500,000	75.0%
Ms. Tsoi Suet Ngai ⁽⁷⁾⁽⁹⁾ Tsoi Suet Ngai女士 ⁽⁷⁾⁽⁹⁾	Interest of spouse 配偶權益	562,500,000	75.0%

Notes:

- (1) Fortune Speed Investments Limited is a company wholly owned by Winnermax Management Limited, which is in turn wholly owned by Happy Family Assets Limited, a company wholly owned by East Asia International Trustees Limited.

East Asia International Trustees Limited is the trustee of Happy Family Trust, a trust established by Mr. Wong Ting Chung as the settlor. Accordingly, each of Happy Family Assets Limited, East Asia International Trustees Limited and Winnermax Management Limited, is deemed to be interested in the 562,500,000 ordinary shares held by Fortune Speed Investments Limited under the SFO.

- (2) Ms. Wang Kam Chu is the spouse of Mr. Wong Ting Chung and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chung under the SFO.
- (3) Ms. Wong Wai Ling, sister of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore she is deemed to be interested in the shares held by the Happy Family Trust under the SFO. Ms. Wong Wai Ling is also the spouse of Mr. Lau Ka Keung and is therefore deemed to be interested in the shares held by Mr. Lau Ka Keung under the SFO.
- (4) Mr. Wong Ting Kau, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (5) Mr. Wong Ting Chun, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (6) Ms. Chan Ka Wai is the spouse of Mr. Wong Ting Kau and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Kau under the SFO.
- (7) Ms. Tsoi Suet Ngai is the spouse of Mr. Wong Ting Chun and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chun under the SFO.
- (8) The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2022.
- (9) On 9 September 2021, the Company and Fortune Speed entered into the Subscription Agreement pursuant to which Fortune Speed has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Fortune Speed, 290,000,000 Non-Convertible Preference Shares. As at 30 June 2022, the subscription of the Non-Convertible Preference Shares was lapsed.

附註：

- (1) 瑞迅投資有限公司由恒威管理有限公司全資擁有，而恒威管理有限公司由庭槐資產有限公司全資擁有，庭槐資產有限公司則由East Asia International Trustees Limited全資擁有。

East Asia International Trustees Limited是庭槐信託(由王庭聰先生作為授與人創立的信託)的受託人。因此，庭槐資產有限公司、East Asia International Trustees Limited及恒威管理有限公司各自根據證券及期貨條例視為於瑞迅投資有限公司所持有的562,500,000股普通股中擁有權益。

- (2) Wang Kam Chu女士為王庭聰先生的配偶，因此根據證券及期貨條例視為於王庭聰先生直接或間接持有的股份中擁有權益。
- (3) 王惠玲女士(王庭聰先生的胞姊妹)為庭槐信託的受益人之一，因此，根據證券及期貨條例視為於庭槐信託持有的股份中擁有權益。王惠玲女士亦為樓家強先生的配偶，故根據證券及期貨條例視為於樓家強先生持有的股份中擁有權益。
- (4) 王庭交先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (5) 王庭真先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (6) Chan Ka Wai女士為王庭交先生的配偶，故根據證券及期貨條例視為於王庭交先生直接或間接持有的股份中擁有權益。
- (7) Tsoi Suet Ngai女士為王庭真先生的配偶，故根據證券及期貨條例視為於王庭真先生直接或間接持有的股份中擁有權益。
- (8) 按2022年6月30日已發行普通股總數750,000,000股計算。
- (9) 於2021年9月9日，本公司與瑞迅訂立認購協議，據此，瑞迅有條件同意認購，且本公司有條件同意向瑞迅配發及發行290,000,000股不可轉換優先股，於2022年6月30日，不可轉換優先股的認購失效。

SHARE OPTION SCHEME

The Company has approved and adopted the Share Option Scheme on 26 November 2018. Under the Share Option Scheme, the eligible participants may be granted share options pursuant to the Share Option Scheme. Details of the Share Option Scheme have been disclosed in the 2021 annual report of the Company.

Details of the movements of the share options granted under the Share Option Scheme during the six months ended 30 June 2022 are as follows:

購股權計劃

本公司已於2018年11月26日批准及採納購股權計劃。根據購股權計劃，合資格參與者可根據購股權計劃獲授購股權。購股權計劃詳情已於本公司2021年年報中披露。

截至2022年6月30日止六個月，根據購股權計劃授出的購股權變動詳情如下：

Name of grantees	Date of grant	Exercise price ⁽¹⁾ (HK\$)	Exercise period ⁽²⁾	Balance as at 1 January 2022 於2022年1月1日的結餘	Number of share options during the six months ended 30 June 2022 截至2022年6月30日止六個月購股權數目				Balance as at 30 June 2022 於2022年6月30日的結餘
					Granted	Exercised	Cancelled	Lapsed	
承授人姓名	授出日期	行使價 ⁽¹⁾ (港元)	行使期 ⁽²⁾		授出	行使	註銷	失效	
Mr. Wong Ting Chung 王庭聰先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	3,000,000	—	—	—	—	3,000,000
Mr. Lau Ka Keung 樓家強先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	3,000,000	—	—	—	—	3,000,000
Mr. Ip Shu Kwan, Stephen 葉澍堃先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Mr. Li Yinquan 李引泉先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Other employees of the Group 本集團其他僱員	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	6,900,000	—	—	(1,200,000)	—	5,700,000
Total 總計				15,900,000	—	—	(1,200,000)	—	14,700,000

Notes:

附註：

- | | |
|---|---|
| <p>1. Exercise price of share options granted of HK\$1.362 per share represents the highest of:</p> <p>(i) the closing price of HK\$1.330 on the date of grant, i.e. 29 March 2019;</p> <p>(ii) the average closing price of HK\$1.362 for five business days immediately preceding the date of grant; and</p> <p>(iii) the nominal value of the share of HK\$0.01 each.</p> <p>2. The share options granted to the above Directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the date of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:</p> | <p>1. 已授出購股權之行使價每股1.362港元為下列之最高者：</p> <p>(i) 於授出日期(即2019年3月29日)股份之收市價1.330港元；</p> <p>(ii) 於緊接授出日期前五個營業日股份之平均收市價1.362港元；及</p> <p>(iii) 股份面值每股0.01港元。</p> <p>2. 向上述董事及本集團其他僱員授出的購股權須分三期等額歸屬。購股權的歸屬期為授出日期至行使期開始日期期間。購股權的歸屬期及行使期如下：</p> |
|---|---|

Share options granted on 29 March 2019

於2019年3月29日授出的購股權

Vesting period

歸屬期

Exercise period

行使期

Share options granted on 29 March 2019 於2019年3月29日授出的購股權	Vesting period 歸屬期	Exercise period 行使期
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目)	29 March 2019 to 28 March 2020 2019年3月29日至2020年3月28日	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目)	29 March 2019 to 28 March 2021 2019年3月29日至2021年3月28日	29 March 2021 to 28 March 2029 2021年3月29日至2029年3月28日
The remaining share options 餘下購股權	29 March 2019 to 28 March 2022 2019年3月29日至2022年3月28日	29 March 2022 to 28 March 2029 2022年3月29日至2029年3月28日

Review Report 審閱報告



Review report to the board of directors of Million Cities Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 32 to 66 which comprises the consolidated statement of financial position of Million Cities Holdings Limited (the “Company”) as of 30 June 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion 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.

致萬城控股有限公司董事會的審閱報告

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第32至66頁的萬城控股有限公司(「貴公司」)的中期財務報告，包括貴公司於2022年6月30日的綜合財務狀況表及截至該日止六個月期間的相關綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及簡明綜合現金流量表與附註。香港聯合交易所有限公司證券上市規則要求根據其相關規定及香港會計師公會頒佈的《香港會計準則》第34號中期財務報告編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報本中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照所協定的應聘條款，僅向全體董事報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容對任何其他人士負責或承擔法律責任。

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 Hong Kong Institute of Certified Public Accountants. A review of the interim financial report 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 report as at 30 June 2022 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2022

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號實體獨立核數師對中期財務資料的審閱進行審閱。中期財務報告審閱工作包括主要向負責財務和會計事務的人員作出查詢，及應用分析及其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能保證我們會獲知在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

按照我們的審閱，我們並無發現任何事項，使我們相信於2022年6月30日的中期財務報告有重大內容並不按照《香港會計準則》第34號中期財務報告編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

2022年8月29日

Consolidated Statement of Profit or Loss

綜合損益表

For the six months ended 30 June 2022 — unaudited (Expressed in Renminbi)
截至2022年6月30日止六個月 — 未經審計 (以人民幣列示)

		Six months ended 30 June 截至6月30日止六個月		
		Note 附註	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Revenue	收入	3	81,967	636,022
Cost of sales	銷售成本		(58,871)	(489,012)
Gross profit	毛利		23,096	147,010
Valuation gains on investment properties	投資物業估值收益	10	—	500
Other net income	其他收入淨額	4	2,769	2,497
Selling expenses	銷售開支		(6,565)	(27,230)
Administrative expenses	行政開支		(31,737)	(30,137)
Other expenses	其他開支	5	(1,331)	(1,115)
(Loss)/profit from operations	經營(虧損)/溢利		(13,768)	91,525
Finance costs	融資成本	6(a)	(531)	(23,061)
Share of profits less losses of associates	應佔聯營公司溢利 減虧損		49,515	100,992
Profit before taxation	除稅前溢利	6	35,216	169,456
Income tax	所得稅	7	(2,156)	(41,799)
Profit for the period	期內溢利		33,060	127,657
Attributable to:	以下各方應佔：			
Equity shareholders of the Company	本公司權益股東		39,798	119,197
Non-controlling interests	非控股權益		(6,738)	8,460
Profit for the period	期內溢利		33,060	127,657
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利 (人民幣分)	8	5.31	15.89

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2022 – unaudited
截至2022年6月30日止六個月 – 未經審計

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Profit for the period	期內溢利	33,060	127,657
Other comprehensive income for the period:	期內其他全面收益：		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>	其後已或可重新分類至損益的項目：		
Exchange differences on translation of financial statements of:	換算財務報表的匯兌差額：		
– the associates	– 聯營公司	(2,267)	323
– the Hong Kong and overseas subsidiaries	– 香港及海外附屬公司	(5,469)	1,471
Other comprehensive income for the period, net of nil tax	期內其他全面收益，已扣除零稅項	(7,736)	1,794
Total comprehensive income for the period	期內全面收益總額	25,324	129,451
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	41,761	118,657
Non-controlling interests	非控股權益	(16,437)	10,794
Total comprehensive income for the period	期內全面收益總額	25,324	129,451

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 30 June 2022 — unaudited
於2022年6月30日 — 未經審計

(Expressed in Renminbi)
(以人民幣列示)

		Note	At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	51,697	55,192
Investment properties	投資物業	10	59,300	59,300
Interest in associates	於聯營公司的權益		452,065	403,760
Deferred tax assets	遞延稅項資產		82,433	80,626
Other non-current assets	其他非流動資產	11	65,390	—
			710,885	598,878
Current assets	流動資產			
Inventories and other contract costs	存貨及其他合約成本	12	1,709,922	1,711,481
Trade and other receivables	貿易及其他應收款項	13	158,062	134,684
Prepaid tax	預付稅項		56,123	47,721
Structured deposits	結構性存款		—	33,000
Pledged and restricted deposits	已抵押及受限制存款	14	62,429	46,782
Cash and cash equivalents	現金及現金等價物	15	208,818	373,468
			2,195,354	2,347,136
Non-current assets held for sale	持作出售的非流動資產	16	92,965	92,965
			2,288,319	2,440,101
Total assets	總資產		2,999,204	3,038,979
Current liabilities	流動負債			
Bank loans	銀行貸款	17	160,000	322,499
Contract liabilities	合約負債	18	409,302	192,362
Trade and other payables	貿易及其他應付款項	19	820,802	926,045
Lease liabilities	租賃負債		314	485
Tax payable	應付稅項		215,855	228,962
			1,606,273	1,670,353
Net current assets	流動資產淨值		682,046	769,748
Total assets less current liabilities	總資產減流動負債		1,392,931	1,368,626

Consolidated Statement of Financial Position (Continued)
綜合財務狀況表(續)

(Expressed in Renminbi)
(以人民幣列示)

At 30 June 2022 — unaudited
於2022年6月30日 — 未經審計

		Note	At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		116	181
Deferred tax liabilities	遞延稅項負債		6,081	7,191
			6,197	7,372
NET ASSETS	資產淨值		1,386,734	1,361,254
CAPITAL AND RESERVES	資本及儲備	20		
Share capital	股本		6,605	6,605
Reserves	儲備		1,129,696	1,087,779
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		1,136,301	1,094,384
Non-controlling interests	非控股權益		250,433	266,870
TOTAL EQUITY	權益總額		1,386,734	1,361,254

Approved and authorised for issue by the board of directors on 29 August 2022.

於2022年8月29日經董事會批准及授權刊發。

Wong Ting Chung

王庭聰
Director
董事

Lau Ka Keung

樓家強
Director
董事

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the six months ended 30 June 2022 — unaudited (Expressed in Renminbi)
 截至2022年6月30日止六個月 — 未經審計 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						Non-controlling interests		Total equity
		Share capital	Share premium	Capital reserve	Statutory reserves	Exchange reserves	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	保留溢利	總計	非控股權益	總權益
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2022	於2022年1月1日的結餘	6,605	660,653	7,002	52,319	(10,103)	377,908	1,094,384	266,870	1,361,254
Changes in equity for the six months ended 30 June 2022:	截至2022年6月30日止六個月的權益變動：									
Profit for the period	期內溢利	—	—	—	—	—	39,798	39,798	(6,738)	33,060
Other comprehensive income	其他全面收益	—	—	—	—	1,963	—	1,963	(9,699)	(7,736)
Total comprehensive income	全面收益總額	—	—	—	—	1,963	39,798	41,761	(16,437)	25,324
Equity settled share-based transactions	以權益結算以股份為基礎的交易	20(b)	—	156	—	—	—	156	—	156
Balance at 30 June 2022	於2022年6月30日的結餘	6,605	660,653	7,158	52,319	(8,140)	417,706	1,136,301	250,433	1,386,734
Balance at 1 January 2021	於2021年1月1日的結餘	6,605	660,653	6,250	39,880	(8,451)	223,966	928,903	239,764	1,168,667
Changes in equity for the six months ended 30 June 2021:	截至2021年6月30日止六個月的權益變動：									
Profit for the period	期內溢利	—	—	—	—	—	119,197	119,197	8,460	127,657
Other comprehensive income	其他全面收益	—	—	—	—	(540)	—	(540)	2,334	1,794
Total comprehensive income	全面收益總額	—	—	—	—	(540)	119,197	118,657	10,794	129,451
Equity settled share-based transactions	以權益結算以股份為基礎的交易	20(b)	—	633	—	—	—	633	—	633
Balance at 30 June 2021 and 1 July 2021	於2021年6月30日及2021年7月1日的結餘	6,605	660,653	6,883	39,880	(8,991)	343,163	1,048,193	250,558	1,298,751
Balance at 30 June 2021 and 1 July 2021	於2021年6月30日及2021年7月1日的結餘	6,605	660,653	6,883	39,880	(8,991)	343,163	1,048,193	250,558	1,298,751
Changes in equity for the six months ended 31 December 2021:	截至2021年12月31日止六個月的權益變動：									
Profit for the period	期內溢利	—	—	—	—	—	47,184	47,184	12,441	59,625
Other comprehensive income	其他全面收益	—	—	—	—	(1,112)	—	(1,112)	3,871	2,759
Total comprehensive income	全面收益總額	—	—	—	—	(1,112)	47,184	46,072	16,312	62,384
Appropriation to statutory reserves	調撥至法定儲備	—	—	—	12,439	—	(12,439)	—	—	—
Equity settled share-based transactions	以權益結算以股份為基礎的交易	20(b)	—	119	—	—	—	119	—	119
Balance at 31 December 2021	於2021年12月31日的結餘	6,605	660,653	7,002	52,319	(10,103)	377,908	1,094,384	266,870	1,361,254

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2022 – unaudited
截至2022年6月30日止六個月 – 未經審計

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
		Note 附註	
Operating activities	經營活動		
Cash generated from operations	經營活動所得現金	82,977	21,154
Income tax paid	已付所得稅	(26,582)	(20,463)
Net cash inflow from operating activities	經營活動現金流入淨額	56,395	691
Investing activities	投資活動		
Interest received	已收利息	2,408	2,390
Acquisition of property, plant and equipment	收購物業、廠房及設備	—	(3,492)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	30	—
Proceeds from disposal of associate	出售聯營公司所得款項	15,000	—
Payments for structured deposits	結構性存款付款	(68,000)	—
Proceeds received upon maturity of structured deposits	結構性存款到期後收取的所得款項	101,000	—
Loan to a third party	向第三方貸款	(65,390)	—
Net cash outflow from investing activities	投資活動現金流出淨額	(14,952)	(1,102)

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Condensed Consolidated Statement of Cash Flows (Continued)
簡明綜合現金流量表(續)

For the six months ended 30 June 2022 — unaudited (Expressed in Renminbi)
截至2022年6月30日止六個月 — 未經審計 (以人民幣列示)

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
		Note 附註	
Financing activities	融資活動		
Proceeds from bank loans	銀行貸款所得款項	—	296,869
Repayment of bank loans	償還銀行貸款	(162,499)	(323,961)
Interest paid on bank loans	已付銀行貸款利息	(7,987)	(12,076)
Capital element of lease rentals paid	已付租金的本金部分	(236)	(243)
Interest element of lease rentals paid	已付租金的利息部分	(12)	(23)
Advances from related parties	關聯方墊款	5,290	81,942
Repayment to related parties	向關聯方還款	(42,795)	—
Net cash (outflow)/inflow from financing activities	融資活動現金(流出)/流入淨額	(208,239)	42,508
(Decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加	(166,796)	42,097
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	373,468	366,309
Effect of foreign exchanges rates changes	匯率變動的影響	2,146	(726)
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	208,818	407,680
		15	

The notes on pages 39 to 66 form part of this interim financial report.

第39至66頁之附註為本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

1 BASIS OF PREPARATION

This interim financial report of Million Cities Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 29 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements and the measurement of derivative financial instruments. Details of any changes in accounting policies and the measurement of derivative financial instruments are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG’s independent review report to the Board of Directors is included on pages 30 to 31.

1 編製基準

萬城控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）的本中期財務報告乃按照香港聯合交易所有限公司證券上市規則之適用披露條文編製，包括遵守香港會計師公會頒佈的《香港會計準則》第34號中期財務報告。本中期財務報告獲授權於2022年8月29日刊發。

本中期財務報告乃按照與2021年全年財務報表採納者相同的會計政策編製，惟預期於2022年全年財務報表反映的會計政策變動及衍生金融工具計量除外。任何會計政策的變動及衍生金融工具計量詳情載於附註2。

編製符合《香港會計準則》第34號的中期財務報告時，管理層須作出影響政策應用以及資產與負債、收入與開支本年度至今為止的呈報金額的判斷、估計及假設。實際結果可能有別於該等估計。

本中期財務報告載有簡明綜合財務報表及節選闡釋附註。該等附註包括對了解本集團財務狀況及表現自2021年全年財務報表刊發以來的變動而言乃屬重要的事件及交易的解釋。簡明綜合中期財務報表及其附註並不包括就按照《香港財務報告準則》編製的完整財務報表規定的全部資料。

本中期財務報告乃未經審計，但畢馬威會計師事務所已根據香港會計師公會頒佈之《香港審閱工作準則》第2410號實體獨立核數師對中期財務資料的審閱作出審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第30至31頁。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

2 ACCOUNTING POLICIES

(a) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendment to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cashflow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

The principal activities of the Group are property development and sale in the People's Republic of China (the "PRC").

2 會計政策

(a) 會計政策變動

本集團已就當前會計期間本中期財務報告採用以下由香港會計師公會頒佈的《香港財務報告準則》修訂：

- 《香港會計準則》第16號的修訂，物業、廠房及設備：擬定用途前之所得款項
- 《香港會計準則》第37號的修訂，撥備、或然負債及或然資產：虧損性合約 – 履行成本

該等修訂對當前或過往期間本集團已編製或於本中期財務報告呈列的業績及財務狀況概無重大影響。本集團概無應用於當前會計期間尚未生效的任何新訂準則或詮釋。

(b) 衍生金融工具

衍生金融工具按公平值確認。公平值會於每個報告期末重新計量。重新計量至公平值所得之收益或虧損會即時於損益中確認，惟衍生工具符合現金流量對沖會計原則或作為海外業務淨投資對沖除外，於此情況下所產生的收益或虧損按被對沖項目的性質確認。

3 收入及分部報告

(a) 收入細分

本集團的主要活動為在中華人民共和國(「中國」)經營物業發展及銷售。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue (Continued) Disaggregation of revenue

Revenue mainly represents income from sale of properties and gross rentals from properties, net of sales related taxes and discounts allowed, and is analysed as follows:

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Revenue from contracts with customers within the scope of HKFRS 15	《香港財務報告準則》第15號範圍內的客戶合約收入		
Sales of properties:	物業銷售：		
— Recognised at a point in time	— 於某個時點確認	67,662	547,732
— Recognised over time	— 於某段時間確認	12,715	86,773
		80,377	634,505
Revenue from other sources	其他來源的收入		
— Gross rentals from properties	— 物業租金總額	1,590	1,517
		81,967	636,022

(b) Operating segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating segments*.

3 收入及分部報告 (續)

(a) 收入細分 (續) 收入細分

收入主要指物業銷售收入及物業租金總額，已扣除銷售相關稅項及所給予折扣，分析如下：

(b) 經營分部

就資源分配及分部表現評估向本集團主要營運決策人匯報時，由於本集團業務主要依賴物業發展之表現，故有關匯報資料較集中於本集團整體。資源按如何有利於本集團提升整體物業發展活動而非任何特定服務而予以分配。表現評估乃根據本集團整體業績作出。因此，管理層認為根據《香港財務報告準則》第8號經營分部的規定，僅有一個經營分部。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Operating segment (Continued)

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the properties were developed or leased out. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of operations, in the case of interests in associates.

3 收入及分部報告(續)

(b) 經營分部(續)

地區資料

下表載列有關(i)本集團來自外界客戶的收入，及(ii)本集團物業、廠房及設備、投資物業及於聯營公司權益(「指定非流動資產」)所在地的資料。客戶所在地乃基於發展或出租物業的位置。指定非流動資產的所在地乃基於資產的實際位置(如屬物業、廠房及設備及投資物業)及業務位置(如屬於聯營公司權益)。

		Revenue from external customers 來自外界客戶的收入		Specified non-current assets 指定非流動資產	
		Six months ended 30 June 截至6月30日止六個月		At 30 June 31 December	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	2022 2022年 6月30日 RMB'000 人民幣千元	2021 2021年 12月31日 RMB'000 人民幣千元
Huizhou	惠州	44,742	101,646	406,184	359,284
Tianjin	天津	37,225	534,376	29,759	30,653
Zhumadian	駐馬店	—	—	126,171	127,261
Others	其他	—	—	948	1,054
		81,967	636,022	563,062	518,252

Notes to the Unaudited Interim Financial Report (Continued)
未經審計中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

4 OTHER NET INCOME

4 其他收入淨額

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest income	利息收入	2,408	2,390
Others	其他	361	107
		2,769	2,497

5 OTHER EXPENSES

5 其他開支

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Donations	捐贈	1,331	1,005
Other expenses	其他開支	—	110
		1,331	1,115

Notes to the Unaudited Interim Financial Report (Continued)
未經審計中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs

6 除稅前溢利

除稅前溢利乃經扣除／(計入)下列各項
後達致：

(a) 融資成本

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest on bank loans	銀行借貸利息	7,987	12,075
Accrued interest on significant financing component of contract liabilities	合約負債的重大融資部分的應計利息	5,763	33,809
Others	其他	12	1,913
		13,762	47,797
Less: Interest expenses capitalised into inventories	減：資本化至存貨的利息開支	(13,231)	(24,736)
		531	23,061

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

6 PROFIT BEFORE TAXATION (Continued)
(b) Staff costs

6 除稅前溢利(續)
(b) 員工成本

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	19,570	19,039
Contributions to defined contribution retirement plan	向界定供款退休計劃供款	1,529	1,384
Equity-settled share-based payment expenses (note 20(b))	以權益結算並以股份支付之開支(附註20(b))	156	633
Less: Staff costs capitalised into inventories	減：資本化至存貨的員工成本	(7,380)	(5,440)
		13,875	15,616

(c) Other items

(c) 其他項目

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Depreciation	折舊	2,768	3,645
Rentals receivable from investment properties	投資物業應收租金	(410)	(325)

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

7 INCOME TAX

7 所得稅

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for Corporate Income Tax ("CIT")	企業所得稅(「企業所得稅」)撥備	2,354	24,706
Provision for Land Appreciation Tax ("LAT")	土地增值稅(「土地增值稅」)撥備	2,719	27,423
		5,073	52,129
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	產生及撥回暫時差額	(2,917)	(10,330)
		2,156	41,799

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each subsidiary in the Group. The income tax rate applicable to the principal subsidiaries in the PRC is 25% during the six months ended 30 June 2022 (six months ended 30 June 2021: 25%).

No provision for Hong Kong Profits Tax was recognised for the six months ended 30 June 2022 (six months ended 30 June 2021: nil) as the subsidiaries in Hong Kong did not have any assessable profits for the period.

(i) 企業所得稅及香港利得稅

企業所得稅撥備基於估計應課稅收益按本集團各附屬公司適用的稅率計算。截至2022年6月30日止六個月中國主要附屬公司適用的所得稅率為25% (截至2021年6月30日止六個月：25%)。

截至2022年6月30日止六個月概無確認香港利得稅撥備(截至2021年6月30日止六個月：零)，因為香港附屬公司期內概無任何應課稅利潤。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

7 INCOME TAX (Continued)

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

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

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB39,798,000 (six months ended 30 June 2021: RMB119,197,000) and the weighted average number of 750,000,000 ordinary shares (six months ended 30 June 2021: 750,000,000 ordinary shares) in issue during the six months ended 30 June 2022.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2022 and 2021 were the same as the basic earnings per share.

At 30 June 2022, 14,700,000 share options (see note 20(b)) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7 所得稅(續)

(ii) 土地增值稅

土地增值稅按30%至60%的累進稅率就本集團已開發並銷售物業的土地增值額徵收。根據相關法規，土地增值額按銷售物業所得款項減可抵扣開支(包括土地使用權租賃費、借款成本及相關物業開發支出)計算。

(iii) 根據開曼群島及英屬維爾京群島(「英屬維爾京群島」)的規則及規例，本集團毋須繳納開曼群島及英屬維爾京群島任何所得稅。

8 每股盈利

(a) 每股基本盈利

截至2022年6月30日止六個月，每股基本盈利乃根據本公司權益股東應佔溢利人民幣39,798,000元(截至2021年6月30日止六個月：人民幣119,197,000元)及750,000,000股(截至2021年6月30日止六個月：750,000,000股普通股)已發行普通股加權平均數計算。

(b) 每股攤薄盈利

截至2022年及2021年6月30日止六個月的每股攤薄盈利與每股基本盈利相同。

於2022年6月30日，由於14,700,000份購股權(見附註20(b))具有反攤薄效應，故計算普通股攤薄加權平均數目時並不包括該等購股權。用於計算購股權攤薄效應的本公司股份之平均市值乃基於在購股權發行流通期間的本公司股份市場報價。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

9 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2022, no property, plant and equipment (six months ended 30 June 2021: with a cost of RMB4,449,000) were acquired.

As at 30 June 2022, the Group was in the process of applying for the certificates of ownership for certain properties with net book value of RMB27,556,000 (31 December 2021: RMB28,389,000).

10 INVESTMENT PROPERTIES

The Group's investment properties were revalued at fair value as at 30 June 2022 by Vincorn Consulting and Appraisal Limited, an independent valuer who has relevant professional qualification and recent experience in the location and category of properties being valued. The same valuation techniques were used by this valuer when carrying out the valuation as at 31 December 2021. The Group's management has discussion with the surveyors on the valuation assumptions and valuation results twice a year for financial reporting.

According to the revaluation, no gain (six months ended 30 June 2021: RMB500,000) and no deferred tax expense (six months ended 30 June 2021: RMB125,000) have been recognised in profit or loss for the period in respect of investment properties.

11 OTHER NON-CURRENT ASSETS

On 5 May 2022, the Group, Mr. Wong Ting Chung, the chairman and executive director of the Company and a third party (the "Borrower") entered into a loan agreement, pursuant to which, the Group grants a loan of RMB96,500,000 to the Borrower for a term of 3 years with an interest rate of 4% per annum, and Mr. Wong Ting Chung provides a personal guarantee to the Borrower in favour of the Group. The Borrower shall repay the whole principal amount together with all accrued interest due and payable to the Group on 4 May 2025, or repay part of the principal amount together with all accrued interest due throughout the term of the loan by instalments, or on demand by the Group.

Up to 30 June 2022, the Group has provided a loan of RMB65,390,000 to the Borrower.

9 物業、廠房及設備

收購及出售

截至2022年6月30日止六個月，並無購置任何物業、廠房及設備(截至2021年6月30日止六個月：成本為人民幣4,449,000元)。

於2022年6月30日，本集團正在申請部分物業的所有權證，該等物業的賬面淨值為人民幣27,556,000元(2021年12月31日：人民幣28,389,000元)。

10 投資物業

本集團之投資物業於2022年6月30日由泓亮諮詢及評估有限公司(有相關專業資格且具備近期對相同地段類似物業估值之經驗的獨立估值師)按公平值再次評估。該估值師於2021年12月31日進行估值時使用相同的估值技術。本集團管理層與測量師每年就財務報告討論估值假設及估值結果兩次。

根據重新估值，期內，我們並無就投資物業確認損益(截至2021年6月30日止六個月：人民幣500,000元)及沒有遞延稅項開支(截至2021年6月30日止六個月：人民幣125,000元)。

11 其他非流動資產

於2022年5月5日，本集團、本公司主席兼執行董事王庭聰先生及第三方(「借款人」)訂立貸款協議，本集團向借款人提供為期三年、年利率為4%的貸款額為人民幣96,500,000元之貸款，而王庭聰先生會向借款人提供以本集團為受益人的個人擔保。借款人須於2025年5月4日向本集團償還全部本金及到期應付本集團的所有應計利息，或分期償還部分本金及貸款期間所有應計利息，或於本集團要求時償還。

截至2022年6月30日，本集團已向借款人提供人民幣65,390,000元之貸款。

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(除另有訂明外，以人民幣列示)

12 INVENTORIES AND OTHER CONTRACT COSTS

12 存貨及其他合約成本

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Inventories	存貨		
Properties held for development	持作發展物業	39,149	40,750
Properties under development	建設中物業	952,683	903,777
Completed properties for sale	待售已竣工物業	700,482	758,068
		1,692,314	1,702,595
Other contract costs	其他合約成本	17,608	8,886
		1,709,922	1,711,481

As at 30 June 2022, certain inventories were pledged to secure bank loans (see note 17).

於2022年6月30日，若干存貨已就銀行貸款作出抵押(見附註17)。

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

確認為開支並計入損益的存貨金額分析如下：

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Cost of inventories	存貨成本	58,871	488,618

Notes to the Unaudited Interim Financial Report (Continued)
未經審計中期財務報告附註(續)

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13 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), and net of loss allowance, is as follows:

13 貿易及其他應收款項

報告期末，計入貿易及其他應收款項之應收賬款(已扣除虧損撥備)的賬齡分析如下：

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Within 1 month	1個月內	1	44
1 to 3 months	1至3個月	4	90
3 to 6 months	3至6個月	12	135
Over 6 months	6個月以上	297	45
Trade debtors, net of loss allowance	應收賬款(扣除虧損撥備)	314	314
Amounts due from associates (note (i))	應收聯營公司款項(附註(i))	18,008	18,016
Amounts due from non-controlling interests (note (i))	應收非控股權益款項(附註(i))	24,565	24,565
Other debtors	其他應收款項	69,069	55,353
Financial assets measured at amortised cost	按攤餘成本計量的金融資產	111,956	98,248
Deposits	按金	4,046	3,446
Prepayments (note (ii))	預付款項(附註(ii))	42,060	32,990
		158,062	134,684

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13 TRADE AND OTHER RECEIVABLES (Continued)

As of 30 June 2022, no trade debts were past due (31 December 2021: nil). Based on experience, management believes that no impairment allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Notes:

- (i) The amounts due from associates and non-controlling interests were interest-free, unsecured and recovered within one year.
- (ii) The amounts mainly represented prepaid value added tax and other sales related taxes.

13 貿易及其他應收款項(續)

於2022年6月30日，概無應收賬款逾期(2021年12月31日：零)。由於信貸質量並無重大變動，且結餘仍視為可全數收回，故管理層基於經驗認為無須就應收賬款作出減值撥備。本集團並無就該等結餘持有任何抵押。

附註：

- (i) 應收聯營公司及非控股權益款項為免息無抵押且已於一年內收回。
- (ii) 該款項主要指預付增值稅及其他銷售相關稅項。

14 PLEDGED AND RESTRICTED DEPOSITS

14 已抵押及受限制存款

	At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Pledged for mortgage arrangements of the property buyers 就物業買家按揭安排作抵押	16,308	17,968
Restricted deposits (note (i)) 受限制存款(附註(i))	42,877	25,109
Others 其他	3,244	3,705
	62,429	46,782

- (i) As at 30 June 2022, restricted deposits represented proceeds from the pre-sale of properties totaling RMB42,877,000 (31 December 2021: RMB25,109,000) placed in designated bank accounts by certain of the Group's PRC subsidiaries in accordance with relevant rules and regulations issued by local government authorities. Such deposits can only be released with achievement of certain milestones of construction progress and delivery progress of relevant properties.

- (i) 2022年6月30日，受限制存款指本集團若干中國附屬公司根據地方政府部門發佈的相關規則及法規存入指定銀行賬戶的預售物業所得款項共計人民幣42,877,000元(2021年12月31日：人民幣25,109,000元)。該等存款僅在相關物業的建設進度及交付進度達到若干里程碑後解除。

Notes to the Unaudited Interim Financial Report (Continued)
未經審計中期財務報告附註(續)

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15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Cash on hand	手頭現金	131	288
Cash at bank (note (i))	銀行現金(附註(i))	208,687	373,180
		208,818	373,468

As of the end of the reporting period, cash and cash equivalents situated in Mainland China amounted to RMB159,240,000 (31 December 2021: RMB317,309,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

截至報告期末，位於中國內地的現金及現金等價物為人民幣159,240,000元（2021年12月31日：人民幣317,309,000元）。自中國內地匯款出境須遵守相關外匯管制規則及條例。

(i) As at 30 June 2022, cash at bank included proceeds from the pre-sale of properties totalling RMB13,506,000 (31 December 2021: RMB104,277,000) placed in designated bank accounts by certain of the Group's PRC subsidiaries in accordance with relevant rules and regulations issued by local government authorities. Such deposits can only be used for settlement of purchases of construction materials, tax payments and construction fees of the relevant property development projects upon approval from the local government authorities.

(i) 2022年6月30日，銀行現金包括本集團若干中國附屬公司根據地方政府部門發佈的相關規則及法規存入指定銀行賬戶的預售物業所得款項共計人民幣13,506,000元（2021年12月31日：人民幣104,277,000元）。獲得地方政府部門批准後，該等存款僅可用於購買建築材料及支付相關物業發展項目的稅款及建築費。

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16 NON-CURRENT ASSETS HELD FOR SALE

In 2020, the Group entered into a Cooperation Agreement with Access Prosper International Limited and Mr. Chan Cheung Tim (together, the “Partner”), pursuant to which, the Group and the Partner invested to 30% and 70% of the issued share capital in Star Linkage Financial Holdings Limited (“Star Linkage”) respectively. Star Linkage together with its subsidiaries (“Star Linkage Group”) were treated as an associate of the Group (the “Associate”). The Group has paid a capital loan of RMB93,000,000 to the Associate in 2020.

On 30 December 2021, the Group and the Partner entered into a termination agreement (the “Termination Agreement”), pursuant to which the Group and the Partner agreed to terminate the Cooperation Agreement by way of the Partner acquiring 30% of the issued share capital in Star Linkage from the Group, at a consideration of approximately RMB100,338,000 (“Consideration”), being the sum of capital loan made by the Group in an amount of RMB93,000,000 plus an interest amount of approximately RMB7,338,000, being accrued at an interest rate of 4% per annum from 10 January 2020 to 30 December 2021. The Consideration shall be paid to the Group within 120 days upon signing of the Termination Agreement. This constituted a forward contract.

Upon signing of the Termination Agreement, the Cooperation Agreement was terminated and the Group was released from its capital contribution obligations and all other obligations and commitments under the Cooperation Agreement.

The Group reclassified the interests in Star Linkage Group to non-current assets held for sale accordingly and recognised at the lower of the carrying amount and fair value less costs to sell. The forward contract was accounted for at fair value.

16 持作出售的非流動資產

於2020年，本集團與Access Prosper International Limited及陳長添先生（統稱「合夥人」）訂立合作協議，據此，本集團與合夥人分別投資Star Linkage Financial Holdings Limited（「Star Linkage」）的30%及70%已發行股本。Star Linkage連同其附屬公司（「Star Linkage集團」）視為本集團的聯營公司（「聯營公司」）。本集團已於2020年向聯營公司支付人民幣93,000,000元的資金貸款。

2021年12月30日，本集團與合夥人訂立終止協議（「終止協議」），據此，本集團與合夥人同意通過合夥人自本集團收購所持Star Linkage 30%的已發行股本終止合作協議，代價為約人民幣100,338,000元（「代價」），即本集團的資本貸款人民幣93,000,000元加上利息約人民幣7,338,000元（2020年1月10日至2021年12月30日按年利率4%計息）。代價應於終止協議簽訂後120天內支付予本集團。該協議構成遠期合約。

終止協議簽訂後，合作協議即告終止，本集團將免除出資責任及合作協議項下的所有其他責任和承擔。

本集團因此將於Star Linkage集團的權益重新分類至持作出售的非流動資產，並按賬面值及公平值減銷售成本中的較低者確認。遠期合約按公平值入賬。

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16 NON-CURRENT ASSETS HELD FOR SALE (Continued)

On 30 June 2022, the Group and the Partner entered into a supplementary agreement to the Termination Agreement, pursuant to which, the Group and the Partner agreed to amend the payment terms of the Consideration whereby the balance of the Consideration, together with interest payable on the outstanding Consideration calculated at 4% per annum, shall be paid to the Group of RMB5,000,000 per month, with the last payment being settled no later than 28 December 2023. Legal title of the equity interests and the corresponding rights in Star Linkage will only be transferred to the Partner upon full settlement of the Consideration and the corresponding interests.

As at 30 June 2022, payments made by the Partner to the Group amounted to RMB15,000,000.

17 BANK LOANS

The secured bank loans with amount of approximately RMB160,000,000 as at 30 June 2022 and 31 December 2021 were secured by assets below:

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
— Secured	— 有抵押	160,000	322,499
Inventories	存貨	402,547	424,845

16 持作出售的非流動資產 (續)

2022年6月30日，本集團與合夥人訂立終止協議之補充協議，據此，本集團與合夥人同意修訂代價的支付條款，其中代價餘額，連同未償還代價餘額按4%年利率計算的應付利息，須每月向本集團支付人民幣5,000,000元，最後一筆付款不遲於2023年12月28日結算支付。StarLinkage 股權及相應權利的法定所有權僅於悉數結算支付代價及相應利息後轉至合夥人。

截至2022年6月30日，合夥人已向本集團支付人民幣15,000,000元。

17 銀行貸款

於2022年6月30日及2021年12月31日，有抵押銀行貸款約人民幣160,000,000元由以下列資產作抵押：

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17 BANK LOANS (Continued)

The secured bank loans with the amount of approximately RMB162,499,000 as at 31 December 2021 were secured by trade debtors from sales and leasing of certain properties of the Group. The Group repaid the secured bank loans during the six months ended 30 June 2022.

The Group's banking facilities are subject to the fulfilment of certain covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. There was no breach of covenants as of 30 June 2022 (31 December 2021: nil).

At 30 June 2022, bank loans were repayable as follows according to the repayment schedules as set out in the loan agreements:

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	16,000	164,099
After 1 year but within 2 years	一年後但兩年內	24,000	38,400
After 2 years but within 5 years	兩年後但五年內	120,000	120,000
		160,000	322,499

Notwithstanding the specified repayment schedules as stated in the facilities letters which allow the loans to be repaid over a period of more than one year, all banking facilities granted to the Group include a clause that gives the bank an unconditional right to call the bank loans at any time (the "repayment on demand clause"). Accordingly, all bank loans of the Group were classified as current liabilities in the consolidated statement of financial position.

17 銀行貸款(續)

於2021年12月31日，有抵押銀行貸款約人民幣162,499,000元以本集團若干物業銷售及出租之應收賬款作抵押。本集團已於截至2022年6月30日止六個月償還有抵押銀行貸款。

本集團的銀行融資須達成若干契諾方可作實，有關契諾於與金融機構的借貸安排中常見。倘本集團違反契諾，已提取融資將須按要求償還。截至2022年6月30日，概無違反契諾(2021年12月31日：無)。

於2022年6月30日，根據貸款協議所載還款時間表銀行貸款須按以下時間償還：

儘管融資函件所述特定還款時間表容許貸款的還款期超過一年，惟本集團獲授的所有銀行融資有條款容許銀行可無條件隨時要求償還銀行貸款(「要求償還條款」)。因此，本集團所有銀行貸款均於綜合財務狀況表歸類為流動負債。

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18 CONTRACT LIABILITIES

The following table provides information about contract liabilities from contracts with customers:

18 合約負債

下表列載有關客戶合約負債的資料：

	At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Contract liabilities — Receipt in advance from property sales	409,302	192,362
合約負債 — 物業銷售預收款		

Contract liabilities represents payments received from customers on sale of properties. A financing component, being the financing benefit from the receipt in advance, is recognised in the contract liabilities. Contract liabilities are recognised in profit or loss when the related properties are delivered.

合約負債指客戶就物業銷售的付款。融資組成部分(即收取預收款的融資利益)於合約負債確認。合約負債於交付相關物業時於損益確認。

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19 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the date of the trade payables recognised, is as follows:

19 貿易及其他應付款項

報告期末，按已確認貿易應付款項日期之應付賬款(計入貿易及其他應付款項)的賬齡分析如下：

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月內	291,699	368,954
3 to 6 months	3至6個月	1,385	617
6 to 12 months	6至12個月	502	1,513
Over 12 months	12個月以上	39,195	48,160
Trade creditors	應付賬款	332,781	419,244
Interest payables	應付利息	—	420
Other payables and accruals	其他應付款項及應計費用	63,773	68,406
Amounts due to related parties (note (i))	應付關聯方款項(附註(i))	406,470	434,201
Financial liabilities measured at amortised cost	以攤餘成本計量的金融負債	803,024	922,271
Financial guarantee issued (note (ii))	已發出的財務擔保(附註(ii))	2,778	3,774
Derivative financial instruments (note 16)	衍生金融工具(附註16)	15,000	—
		820,802	926,045

Notes:

- (i) Amounts due to related parties are interest-free, unsecured and repayable on demand or expected to be repayable within one year.

附註：

- (i) 應付關聯方款項為免息、無抵押及要求時償還或預期須於一年內償還。

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(除另有訂明外，以人民幣列示)

19 TRADE AND OTHER PAYABLES (Continued)

- (ii) On 17 March 2021, Huizhou Logan Junhong Real Estate Company Limited (“Logan Junhong”), the associate of the Group, entered into a loan agreement (“Loan Agreement”) with total banking facility amounted to RMB420,000,000 which was 100% guaranteed by Logan Group Company Limited (“Logan Group”). On 10 May 2021, the Group and Logan Group, entered into a counter-guarantee agreement (“Counter-guarantee”) pursuant to which the Group has agreed, subject to the terms and conditions contained therein to provide a counter-guarantee to Logan Group with regard to the Loan Agreement in proportion to the Group’s respective equity interest in Logan Junhong (30%). As at 30 June 2022, the total bank loan secured by the Counter-guarantee attributable to the Group was RMB108,000,000 (31 December 2021: RMB114,000,000). Deferred income in respect of the financial guarantees issued was RMB2,778,000 (31 December 2021: RMB3,774,000).

20 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been declared or paid by the Company and its subsidiaries during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

(b) Equity settled share-based transactions

On 29 March 2019, 23,700,000 share options were granted for nil consideration to the directors and certain employees of the Group under the Company’s employee Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest after one year to three years, and be exercisable until 28 March 2029. The exercise price is HKD1.362, being the weighted average closing price of the Company’s ordinary shares for five business days immediately preceding the date of grant.

19 貿易及其他應付款項 (續)

- (ii) 2021年3月17日，本集團的聯營公司惠州市龍光駿宏房地產有限公司（「龍光駿宏」）訂立銀行融資總額為人民幣420,000,000元的貸款協議（「貸款協議」），該筆貸款由龍光集團有限公司（「龍光集團」）全額擔保。於2021年5月10日，本集團與龍光集團訂立反擔保協議（「反擔保」），據此，本集團同意根據該協議所載條款及條件按本集團所持龍光駿宏的股權比例（30%）就貸款協議向龍光集團提供反擔保。截至2022年6月30日，反擔保下本集團的銀行貸款總額為人民幣108,000,000元（2021年12月31日：人民幣114,000,000元）。已發出財務擔保的遞延收入為人民幣2,778,000元（2021年12月31日：人民幣3,774,000元）。

20 資本、儲備及股息

(a) 股息

截至2022年6月30日止六個月，本公司及其附屬公司並無宣派或派付股息（截至2021年6月30日止六個月：零）。

(b) 以權益結算以股份為基礎的交易

2019年3月29日，23,700,000份購股權根據本公司僱員購股權計劃以零代價授予董事及本集團僱員。每份購股權可供持有人認購一股本公司普通股。該等購股權將於一年至三年後歸屬，直至2029年3月28日仍可行使。行使價為1.362港元，即緊接授出日期前五個營業日本公司普通股之加權平均收市價。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions (Continued)

The Group recognised share-based payment expenses of RMB156,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB633,000).

1,200,000 options were forfeited during the six months ended 30 June 2022 (six months ended 30 June 2021: 900,000). No options were exercised during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

(c) Share capital

On 9 September 2021, the Company and Fortune Speed Investments Limited (“Fortune Speed”), the immediate parent of the Company, entered into a conditional subscription agreement (the “Subscription Agreement”) pursuant to which Fortune Speed has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Fortune Speed, 290,000,000 new non-voting and non-convertible preference shares of HK\$0.01 each in the share capital of the Company (the “Non-Convertible Preference Shares”) at the subscription price of HK\$1.15 per Non-Convertible Preference Share, with an aggregate subscription amount of HK\$333.5 million. On 18 November 2021, the independent shareholders of the Company approved the allotment and issuance of the Non-Convertible Preference Shares. It is agreed between the Company and Fortune Speed that completion of the subscription of the Non-Convertible Preference Shares shall take place on or before 30 June 2022.

As the conditions precedent under the Subscription Agreement had not been fulfilled on or before 30 June 2022, the Subscription Agreement forthwith ceased and terminated. As a result of the lapse of the Subscription Agreement, the issuance of the Non-Convertible Preference Shares shall not proceed.

20 資本、儲備及股息 (續)

(b) 以權益結算以股份為基礎的交易 (續)

截至2022年6月30日止六個月，本集團確認股份支付開支人民幣156,000元(截至2021年6月30日止六個月：人民幣633,000元)。

截至2022年6月30日止六個月，沒收1,200,000份購股權(截至2021年6月30日止六個月：900,000份)。截至2022年6月30日止六個月並無行使任何購股權(截至2021年6月30日止六個月：零)。

(c) 股本

於2021年9月9日，本公司與本公司直接母公司瑞迅投資有限公司(「瑞迅」)訂立有條件的認購協議(「認購協議」)，據此，瑞迅有條件同意認購，且本公司有條件同意以每股不可轉換優先股1.15港元的認購價向瑞迅配發及發行本公司股本中每股面值0.01港元的290,000,000股新的無投票權及不可轉換之優先股(「不可轉換優先股」)，總認購金額為3.335億港元。於2021年11月18日，本公司的獨立股東同意不可轉換優先股的配發及發行。本公司與瑞迅協定將於2022年6月30日或之前完成不可轉換優先股的認購。

由於認購協議的先決條件截至2022年6月30日尚未達成，認購協議隨即停止及終止。由於認購協議失效，不可轉換優先股不再發行。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

21 金融工具公平值計量

按公平值計量的金融資產及負債

(i) 公平值層級

下表所列為本集團於報告期末按經常基準計量之金融工具公平值，按照《香港財務報告準則》第13號公平值計量之定義將公平值劃分為三個層級。公平值計量層級乃參照下列估值技術所使用輸入數據之可觀察程度及重要程度劃分：

- 第一層級 僅使用第一層級輸入數據，(即於計量日期相同資產或負債於活躍市場上的報價(未經調整))計量公平值
- 第二層級 使用第二層級輸入數據，(即不符合第一層級的可觀察輸入數據，而且不使用重要不可觀察之輸入數據)計量公平值。不可觀察輸入數據指缺乏市場數據之輸入數據
- 第三層級 使用重要不可觀察之輸入數據計量公平值

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)
Financial assets and liabilities measured at fair value (Continued)
(i) Fair value hierarchy (Continued)

21 金融工具公平值計量(續)

按公平值計量的金融資產及負債(續)

(i) 公平值層級(續)

		Fair value measurements as at 30 June 2022 categorised into 於2022年6月30日分類的公平值計量			
		Fair value at 30 June 2022 於2022年6月30日的公平值 RMB'000 人民幣千元	Lever 1 第一層級 RMB'000 人民幣千元	Lever 2 第二層級 RMB'000 人民幣千元	Lever 3 第三層級 RMB'000 人民幣千元
Recurring fair value measurement	經常性公平值計量				
Financial liabilities: Derivative financial instruments: — Forward contract	金融負債：衍生金額工具：— 遠期合約	15,000	—	—	15,000

During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2021: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2022年6月30日止六個月，概無於第一層級與第二層級之間的轉撥，亦無轉入或轉出第三層級(2021年：無)。本集團之政策為在公平值於發生層級間轉撥的報告期末對其進行確認。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Financial assets and liabilities measured at fair value (Continued)

(ii) Information about Level 3 fair value measurements

21 金融工具公平值計量(續)

按公平值計量的金融資產及負債(續)

(ii) 有關第三層級公平值計量的資料

	Valuation techniques 估值技術	Significant unobservable inputs 不可觀察之重要輸入數據	At 30 June 2022 2022年6月30日
Forward contract 遠期合約	Discounted cash flow method 貼現現金流量法	Discount rate 貼現率	4%
	Net asset valuation method 資產淨值估值法	Market value (RMB/sq.m.) 市值(人民幣/平方米)	12,365

The fair value of forward contract is determined using discounted cash flow method and net asset valuation method. The fair value measurement is negatively correlated to the discount rate and market value. As at 30 June 2022, it is estimated that with all other variables held constant, an increase/decrease in the discount rate by 50 basis points would have decreased/increased the Group's profit by RMB323,000. As at 30 June 2022, it is estimated that with all other variables held constant, an increase/decrease in the market value by 5% would have decreased/increased the Group's profit by RMB4,962,000.

遠期合約的公平值採用貼現現金流量法及資產淨值估值法釐定。公平值計量與貼現率及市值呈負相關。於2022年6月30日，在所有其他變量保持不變的情況下，預期貼現率上升/下降50個基點時，本集團的溢利將減少/增加人民幣323,000元。於2022年6月30日，在所有其他變量保持不變的情況下，預期市值增加/減少5%時，本集團的溢利將減少/增加人民幣4,962,000元。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)
Financial assets and liabilities measured at fair value (Continued)

(ii) Information about Level 3 fair value measurements (Continued)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元
Forward contracts:	遠期合約：	
At 1 January	1月1日	—
Fair value changes during the period	期內公平值變動	15,000
At 30 June	6月30日	15,000

21 金融工具公平值計量(續)

按公平值計量的金融資產及負債(續)

(ii) 有關第三層級公平值計量的資料(續)

期內第三層級公平值計量餘額的變動如下：

22 COMMITMENTS

Capital commitments outstanding at 30 June 2022 not provided in the interim financial report

22 承擔

未於中期財務報告撥備的2022年6月30日尚未支付資本承擔如下：

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Contracted for:	已訂約：		
Construction and development contracts	建築及發展合約	79,374	155,371

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

23 CONTINGENT LIABILITIES

As at 30 June 2022, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to RMB339,733,000 as at 30 June 2022 (31 December 2021: RMB223,038,000), will be terminated upon the completion of transferring the legal title of the properties to the property buyers. The directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

24 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere, the Group entered into the following material related party transactions.

(a) Transactions with key management personnel

Remuneration for key management personnel of the Group is as follows:

23 或然負債

於2022年6月30日，本集團就若干物業買家按揭貸款安排向銀行提供擔保。於2022年6月30日，未了結銀行擔保為人民幣339,733,000元(2021年12月31日：人民幣223,038,000元)，有關擔保將於物業法定業權轉讓予物業買家後終止。董事認為，本集團不會因客戶拖欠款項而蒙受重大損失，原因是銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為其公平值並不重大。

24 重大關聯方交易

除其他章節所披露之關聯方資料外，本集團訂立以下重大關聯方交易。

(a) 與主要管理層人員的交易

本集團主要管理層人員的薪酬如下：

		Six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,819	2,125
Retirement scheme contributions	退休計劃供款	21	23
Share based payments	以股份為基礎的付款	96	399
		2,936	2,547

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

Balances with related parties as at 30 June 2022 are detailed as follows.

Amounts due from related parties recorded in other receivables and interests in associates:

Non-trade in nature

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Amounts due from associates	應收聯營公司款項	261,231	273,459
Amounts due from non-controlling interests	應收非控股權益款項	24,565	24,565
		285,796	298,024

24 重大關聯方交易(續)

(b) 與關聯方的結餘

於2022年6月30日與關聯方的結餘詳情如下。

記錄於其他應收款項及於聯營公司之權益的應收關聯方款項：

非貿易性質

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

Amounts due to related parties recorded in other payables:

Non-trade in nature

		At 30 June 2022 2022年 6月30日 RMB'000 人民幣千元	At 31 December 2021 2021年 12月31日 RMB'000 人民幣千元
Amounts due to non-controlling interests	應付非控股權益款項	315,567	303,796
Amount due to the controlling shareholder	應付控股股東款項	42,838	40,119
Amount due to entities controlled by the controlling shareholder of the Company	應付本公司控股股東控制實體的款項	25	262
Amount due to associates	應付聯營公司款項	48,040	90,024
		406,470	434,201

(c) Guarantee issued to a related party

As at 30 June 2022, the Group provided guarantee to secure the loan borrowed by the Group's associate, Logan Junhong. Details of the guarantee issued are set out in note 19(ii).

(d) Receivables guaranteed by a related party

As at 30 June 2022, Mr. Wong Ting Chung provided personal guarantee to the Borrower in favour of the Group. Details of the guarantee are set out in note 11.

24 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

記錄於其他應付款項的應付關聯方款項：

非貿易性質

(c) 關聯方擔保

於2022年6月30日，本集團就聯營公司龍光駿宏的借貸提供擔保。所提供擔保的詳情載於附註19(ii)。

(d) 關聯方擔保的應收款項

於2022年6月30日，王庭聰先生為借款人提供以本集團為受益人的個人擔保。擔保詳情載於附註11。

“Audit Committee” 「審核委員會」	the audit committee of the Board 董事會審核委員會
“Board” 「董事會」	the board of Directors 董事會
“CG Code” 「企業管治守則」	the code provisions in the Corporate Governance Code and Corporate Governance Report 企業管治守則及企業管治報告的守則條文
“Company” or “the Company” 「本公司」	Million Cities Holdings Limited 萬城控股有限公司
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Executive Committee” 「執行委員會」	the executive committee of the Board 董事會執行委員會
“GFA” 「建築面積」	gross floor area 建築面積
“Group” or “the Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	Hong Kong Dollar, the lawful currency of Hong Kong 香港法定貨幣港元
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers 上市發行人董事進行證券交易的標準守則
“Nomination Committee” 「提名委員會」	the nomination committee of the Board 董事會轄下的提名委員會
“PRC” or “China” 「中國」	the People’s Republic of China 中華人民共和國

Glossary (Continued)
詞彙(續)

“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Board 董事會轄下的薪酬委員會
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
“SFC” 「證監會」	the Securities and Futures Commission 證券及期貨監察事務委員會
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time 香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改
“Share Option Scheme” 「購股權計劃」	the share option scheme of the Company approved and adopted on 26 November 2018 於2018年11月26日獲批准及採納之本公司購股權計劃
“sq.m.” 「平方米」	square metres 平方米
“Stock Exchange” 「聯交所」	the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司



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