

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LONGFOR GROUP HOLDINGS LIMITED

龍湖集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 960)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL SUMMARY

- Contracted sales amounted to RMB51.12 billion with the corresponding sale of gross floor area (GFA) of 3.655 million square meters.
- Revenue was RMB46.86 billion, of which the revenue from investment property operation and services and others was RMB13.10 billion, representing a year-on-year increase of 7.6%.
- Profit attributable to shareholders was RMB5.87 billion. Excluding effects of fair value changes, core net profit attributable to shareholders was RMB4.75 billion, over 80% of which was from investment property operation and services and others. Gross profit was RMB9.64 billion with gross profit margin of 20.6%. Core net profit margin was 11.7%, and core net profit margin attributable to shareholders was 10.1%.
- The net debt to equity ratio (net debt divided by total equity) was 56.7%. Cash in hand was RMB50.06 billion.
- Consolidated total borrowing was RMB187.42 billion and average finance cost was 4.16%. Average contract borrowing period was 9.19 years.
- Basic earnings per share was RMB0.90. Excluding effects of fair value changes, core basic earnings per share was RMB0.73. The Board resolved to declare the payment of an interim dividend of RMB0.22 per share.

INTERIM RESULTS

The board of directors (the “**Board**”) of Longfor Group Holdings Limited (the “**Company**” or “**Longfor**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or the “**Longfor Group**”) for the six months ended June 30, 2024 with comparative figures for the preceding corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2024

	NOTES	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	46,855,050	62,044,415
Cost of sales		(37,214,687)	(48,144,545)
Gross profit		9,640,363	13,899,870
Other income	4	684,070	806,423
Other gains and losses	5	834,589	86,701
Lease liability charges		(381,634)	(402,216)
Fair value gains upon transfer to investment properties		–	21,613
Change in fair value of investment properties		1,499,648	1,844,814
Change in fair value of other derivative financial instruments		368,916	96,828
Selling and marketing expenses		(1,913,687)	(2,413,109)
Administrative expenses		(2,281,433)	(2,875,819)
Finance costs	6	(77,179)	(77,046)
Share of results of associates		412,943	269,730
Share of results of joint ventures		343,946	1,116,887
Profit before taxation		9,130,542	12,374,676
Income tax expense	7	(2,155,553)	(3,079,274)
Profit for the period	8	6,974,989	9,295,402

		Six months ended June 30,	
		2024	2023
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(unaudited)
Profit attributable to:			
Owners of the Company		5,865,716	8,057,952
Non-controlling interests		1,109,273	1,237,450
		<u>6,974,989</u>	<u>9,295,402</u>
Other comprehensive income (expense):			
Item that will not be reclassified to profit or loss:			
Fair value gains on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>40,458</u>	<u>262,852</u>
Items that may be reclassified subsequently to profit or loss:			
Net fair value gains on hedging instruments		682,601	1,403,543
Loss on hedging instruments reclassified to profit or loss		<u>(807,397)</u>	<u>(1,389,693)</u>
		<u>(124,796)</u>	<u>13,850</u>
Total other comprehensive (expense) income		<u>(84,338)</u>	<u>276,702</u>
Total comprehensive income for the period		<u>6,890,651</u>	<u>9,572,104</u>
Total comprehensive income attributable to:			
Owners of the Company		5,781,378	8,334,654
Non-controlling interests		1,109,273	1,237,450
		<u>6,890,651</u>	<u>9,572,104</u>
Earnings per share, in RMB cents			
Basic	<i>10</i>	<u>89.9</u>	<u>131.6</u>
Diluted	<i>10</i>	<u>89.7</u>	<u>130.8</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2024**

	At June 30, 2024	At December 31, 2023
<i>NOTES</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
NON-CURRENT ASSETS		
Investment properties	204,324,684	199,751,631
Property, plant and equipment	2,376,065	2,200,305
Right-of-use assets	641,267	579,569
Goodwill	3,834,757	3,834,757
Intangible assets	1,906,827	2,009,314
Interests in associates	14,940,905	15,399,336
Interests in joint ventures	16,434,642	16,052,277
Equity instruments designated at FVTOCI	6,245,786	6,639,807
Derivative financial instruments	601,984	358,577
Deferred taxation assets	11,603,406	11,389,985
	<u>262,910,323</u>	<u>258,215,558</u>
CURRENT ASSETS		
Inventories of properties	251,747,817	254,779,161
Other inventories	41,247	61,519
Deposits paid for acquisition of properties held for development	4,765,667	4,488,522
Accounts and other receivables, deposits and prepayments	<i>11</i> 29,936,938	28,645,379
Contract cost	1,837,485	1,680,381
Amounts due from non-controlling interests	61,481,850	61,589,422
Amounts due from associates	4,365,783	4,215,911
Amounts due from joint ventures	12,247,714	13,166,780
Taxation recoverable	14,624,496	13,039,789
Financial assets at fair value through profit or loss ("FVTPL")	–	2,000
Derivative financial instruments	295,138	99,723
Pledged bank deposits	1,146,326	1,198,327
Bank balances and cash	48,915,855	59,224,403
	<u>431,406,316</u>	<u>442,191,317</u>

		At June 30, 2024	At December 31, 2023
	<i>NOTES</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
CURRENT LIABILITIES			
Accounts and other payables and accrued charges	12	62,069,523	67,598,945
Contract liabilities		109,210,791	102,785,977
Amounts due to non-controlling interests		21,085,822	23,403,687
Amounts due to associates		8,288,444	9,173,004
Amounts due to joint ventures		7,320,862	7,692,958
Taxation payable		23,683,544	27,539,502
Financial liabilities at FVTPL		21,444	50,705
Lease liabilities – due within one year		1,534,563	1,666,987
Bank and other borrowings – due within one year		29,405,244	26,840,905
Derivative financial instruments		–	8,990
Other derivative financial instrument		193,090	227,767
		<u>262,813,327</u>	<u>266,989,427</u>
NET CURRENT ASSETS		<u>168,592,989</u>	<u>175,201,890</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>431,503,312</u>	<u>433,417,448</u>
CAPITAL AND RESERVES			
Share capital		590,425	574,477
Reserves		156,955,857	151,392,232
Equity attributable to owners of the Company		<u>157,546,282</u>	<u>151,966,709</u>
Non-controlling interests		84,635,685	84,491,558
TOTAL EQUITY		<u>242,181,967</u>	<u>236,458,267</u>
NON-CURRENT LIABILITIES			
Deferred consideration payable		1,268	1,268
Financial liabilities at FVTPL		52,985	56,983
Lease liabilities – due after one year		12,577,272	13,165,227
Bank and other borrowings – due after one year		148,572,769	154,501,113
Senior notes – due after one year		9,442,485	11,303,543
Derivative financial instruments		140,487	375,278
Other derivative financial instruments		155,485	513,557
Deferred taxation liabilities		18,378,594	17,042,212
		<u>189,321,345</u>	<u>196,959,181</u>
		<u>431,503,312</u>	<u>433,417,448</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) *Interim Financial Reporting* issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the new and amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“**CODM**”) (i.e., the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

The Group is organised into business units based on their types of activities, based on which information is prepared and reported to the Group's CODM for the purposes of resource allocation and assessment of performance. The Group's operating segments under IFRS 8 *Operating Segments* are identified as the following three main operations:

- Property development: this segment represents the development and sales of office premises, commercial and residential properties. The Group's activities in this regard are carried out in the PRC.
- Investment property operation: this segment represents the lease of investment properties, which are self-developed or under subleases by the Group to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently, the Group's investment property portfolio mainly comprises shopping malls and rental housing and are all located in the PRC.
- Services and others: this segment mainly represents the income generated from property management and related services, hotel operation and others. Currently the Group's activities in this regard are carried out in the PRC.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the revenue and results attributable to each operating segment base on the followings:

Segment assets include all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of deposits paid for acquisition of properties held for development, interests in associates and joint ventures, equity instruments designated at FVTOCI, deferred taxation assets, taxation recoverable, derivative financial instruments, financial assets at FVTPL and other corporate assets. Other corporate assets are not allocated to the operating segments because they are head office assets or assets which are managed centrally by the Group. The investment properties included in segment assets are stated at cost when assessed by the CODM.

Segment liabilities include accounts payables and accrued expenditure on construction, lease liabilities, contract liabilities, deferred consideration payable and financial liabilities at FVTPL but exclude taxation payable, deferred taxation liabilities, bank and other borrowings, senior notes, derivative financial instruments, other derivative financial instruments and other corporate liabilities. Other corporate liabilities are not allocated to the operating segment because they are head office liabilities or liabilities which are managed on a group basis.

Revenue and expenses are allocated to the operating segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is adjusted earnings before interest, other income, other gains and losses, taxes, depreciation and amortisation, share of results of associates and joint ventures, change in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments and finance costs ("**Adjusted Earnings**"), where "interest" includes investment income and "depreciation" includes impairment losses on non-current assets. To arrive at Adjusted Earnings, the segment earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other head office or corporate administration costs.

For the measurement of segment assets and results, property, plant and equipment and certain right-of-use assets are allocated to segments while their corresponding depreciation and amortisation are not allocated to segments.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment sales). Inter-segment sales are priced with reference to prices charged to external parties for similar service.

Information regarding the Group's operating segments is set out below.

	Six months ended June 30, 2024 (unaudited)			
	Property	Investment	Services	Total
	development	property	and others	
	RMB'000	operation	RMB'000	RMB'000
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
Revenue from external customers	33,757,912	6,607,753	6,489,385	46,855,050
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>2,625,753</u>	<u>2,625,753</u>
Segment revenue	<u>33,757,912</u>	<u>6,607,753</u>	<u>9,115,138</u>	<u>49,480,803</u>
Segment profit (Adjusted Earnings)	<u>538,250</u>	<u>3,991,581</u>	<u>2,815,211</u>	<u>7,345,042</u>
	Six months ended June 30, 2023 (unaudited)			
	Property	Investment	Services	Total
	development	property	and others	
	RMB'000	operation	RMB'000	RMB'000
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
Revenue from external customers	49,869,388	6,332,308	5,842,719	62,044,415
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>2,622,183</u>	<u>2,622,183</u>
Segment revenue	<u>49,869,388</u>	<u>6,332,308</u>	<u>8,464,902</u>	<u>64,666,598</u>
Segment profit (Adjusted Earnings)	<u>4,659,914</u>	<u>3,860,244</u>	<u>2,564,387</u>	<u>11,084,545</u>

Note:

1. Substantially all of the Group's revenue from property development is recognised at a point in time.
2. All of the revenue from investment property operation is recognised over time.
3. During the period ended June 30, 2024, the amount of revenue from services and others recognised at a point in time and recognised overtime are RMB1,208,094,000 (June 30, 2023: RMB1,021,429,000) and RMB5,281,291,000 (June 30, 2023: RMB4,821,290,000) respectively.

In addition to receiving segment information concerning segment profit, the CODM is provided with information concerning the Group's consolidated amount of interests in associates and related share of results, interests in joint ventures and related share of results, changes in fair value of investment properties and upon transfer to investment properties, change in fair value of other derivative financial instruments, other income, other gains and losses, finance costs from borrowings, depreciation and amortisation and impairment losses (if any) which are not allocated to operating segments.

(b) Reconciliations of segment revenue and profit or loss

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue		
Segment revenue	49,480,803	64,666,598
Elimination of inter-segment revenue	(2,625,753)	<u>(2,622,183)</u>
Consolidated revenue	<u>46,855,050</u>	<u>62,044,415</u>
Profit		
Segment profit	7,345,042	11,084,545
Other income	684,070	806,423
Other gains and losses	834,589	86,701
Fair value gains upon transfer to investment properties	–	21,613
Change in fair value of investment properties	1,499,648	1,844,814
Change in fair value of other derivative financial instruments	368,916	96,828
Finance costs	(77,179)	(77,046)
Share of results of associates	412,943	269,730
Share of results of joint ventures	343,946	1,116,887
Depreciation and amortisation	(217,468)	(249,565)
Unallocated expenses	(2,063,965)	<u>(2,626,254)</u>
Consolidated profit before taxation	<u>9,130,542</u>	<u>12,374,676</u>

(c) **Revenue from major product and services**

The following is an analysis of the Group's revenue from its properties sold, properties self-developed or under subleases and services provided:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Property development segment	33,757,912	49,869,388
Services and others	6,489,385	5,842,719
	<hr/>	<hr/>
Revenue from contract with customers	40,247,297	55,712,107
Rental income	6,607,753	6,332,308
	<hr/>	<hr/>
Total revenue	46,855,050	62,044,415
	<hr/> <hr/>	<hr/> <hr/>

(d) **Segment assets**

The following is an analysis of the Group's assets by operating segment:

	At	At
	June 30,	December 31,
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(audited)
Property development	270,113,732	272,006,481
Investment property operation (<i>Note</i>)	168,258,228	166,678,920
Services and others	11,580,562	10,798,562
	<hr/>	<hr/>
Total segment assets	449,952,522	449,483,963
	<hr/> <hr/>	<hr/> <hr/>

Note: The above amount of segment assets relating to investment property operation represents the cost of investment properties upon initial recognition and the cost of right-of-use assets classified under investment properties.

(e) **Segment liabilities**

The following is an analysis of the Group's liabilities by operating segment:

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
Property development	135,654,894	132,783,344
Investment property operation	23,901,618	24,273,272
Services and others	3,622,734	3,484,337
Total segment liabilities	<u>163,179,246</u>	<u>160,540,953</u>

4. OTHER INCOME

	Six months ended June 30, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest income	338,358	472,609
Government subsidies (<i>Note a</i>)	60,381	68,818
Penalty income (<i>Note b</i>)	77,557	46,241
Consultancy income (<i>Note c</i>)	157,248	187,928
Sundry income	50,526	30,827
Total	<u>684,070</u>	<u>806,423</u>

Notes:

- (a) The amount represents the grants received from the relevant PRC local government to encourage the investments in specific regions. The subsidies are unconditional and granted on a discretionary basis to the Group during the period.
- (b) It represents penalty received from property buyers who do not execute sales and purchase agreements on property sales and from tenants who early terminated tenancy agreements.
- (c) The amount represents the consultancy services provided to the Group's joint ventures, associates and independent third parties in relation to the property development projects.

5. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Gain (loss) on disposal and written off of property, plant and equipment	2,318	(27,719)
Net exchange losses (<i>Note</i>)	(807,480)	(1,397,856)
Reclassification of fair value gains of hedging instruments from hedging reserve	807,397	1,389,693
Gain (loss) on disposal of subsidiaries	53,509	(140,410)
Gain on repurchase of senior notes and bonds	854,587	268,483
Others	(75,742)	(5,490)
	<u>834,589</u>	<u>86,701</u>

Note: It represents exchange difference arising from translation of bank balances, bank borrowings and senior notes either denominated in foreign currencies of Hong Kong Dollar (“**HKD**”) or United States Dollar (“**USD**”).

6. FINANCE COSTS

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on bank and other borrowings	(3,831,201)	(4,359,974)
Interest expense on senior notes	(235,009)	(276,184)
	(4,066,210)	(4,636,158)
Less: Amount capitalised to properties under development for sales and investment properties under development	<u>3,989,031</u>	<u>4,559,112</u>
	<u>(77,179)</u>	<u>(77,046)</u>

Borrowing costs capitalised arose on the general borrowing pool of the Group and were calculated by applying a capitalisation rate of 4.16% (six months ended June 30, 2023: 4.26%) per annum for the six months ended June 30, 2024 to expenditure on the qualifying assets.

7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax (“EIT”)	(984,489)	(1,662,324)
Hong Kong Profits Tax	(13,738)	(14,076)
Withholding tax on distributed earnings	(85,000)	–
Land Appreciation Tax (“LAT”)	(921,174)	(1,044,617)
	(2,004,401)	(2,721,017)
Overprovision in prior periods		
EIT	24,707	–
LAT (<i>Note</i>)	901,300	837,579
	(1,078,394)	(1,883,438)
Deferred taxation		
Current period	(1,077,159)	(1,195,836)
	(2,155,553)	(3,079,274)

Note: The actual appreciation amount of certain property projects had been finalised in the current period and the development plan for certain property projects had been revised in which the revised estimated or final appreciation amount was different with the appreciation amount made in prior periods, resulting in an overprovision of LAT in respect of prior periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Certain of the Company’s subsidiaries operating in the PRC are eligible for exemption from PRC EIT for both periods.

8. PROFIT FOR THE PERIOD

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	97,644	111,538
Depreciation of right-of-use assets	17,337	35,257
Amortisation of intangible assets	102,487	102,770

9. DIVIDENDS

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend recognised in respect of 2023 of RMB0.23 (six months ended June 30, 2023: Final dividend recognised in respect of 2022 of RMB0.80) per share	1,559,579	5,073,364

In respect of the interim dividend for the period ended June 30, 2023, RMB631,168,000 has been paid in cash and the remaining portion has been settled in form of 175,531,541 new fully paid shares of the Company on February 8, 2024.

In respect of the final dividend for the year ended December 31, 2023, RMB531,797,000 will be paid in cash and the remaining portion will be settled by way of 114,933,082 new fully paid shares of the Company on August 22, 2024.

Subsequent to the end of the reporting period, the Board declared the payment of an interim dividend of RMB1,488,848,000, representing RMB0.22 per share, based on the number of shares in issue as at June 30, 2024, in respect of the six months ended June 30, 2024 (six months ended June 30, 2023: RMB2,029,345,000, representing RMB0.32 per share).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	<u>5,865,716</u>	<u>8,057,952</u>
	2024	2023
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	6,527,212	6,125,322
Effect of dilutive potential ordinary shares in respect of – Share options and share awards	<u>14,050</u>	<u>35,820</u>
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	<u>6,541,262</u>	<u>6,161,142</u>

The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for both periods have been arrived at after deducting the shares held in trust for the Company by two independent trustees under the share award scheme of the Company.

During the period ended June 30, 2024, certain share award schemes are not included in the calculation of diluted earnings per share.

11. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables are mainly arisen from sales of properties, investment property operation and rendering of services. Considerations in respect of sales of properties are paid by customers in accordance with the terms of the related sales and purchase agreements. For investment property operation, rental income are paid by tenants within two months from invoice date in accordance with the terms in the tenancy agreements. Service income is received in accordance with the terms of the relevant service agreements.

	At June 30, 2024 <i>RMB'000</i> (unaudited)	At December 31, 2023 <i>RMB'000</i> (audited)
Trade receivables (<i>Note a</i>)		
– Contract with customers	5,064,615	4,497,620
– Rental	76,558	98,041
	5,141,173	4,595,661
Other receivables, net of allowance for doubtful debts (<i>Note b</i>)	7,097,471	6,683,449
Advances to contractors	3,382,438	3,086,071
Prepaid value added tax and other taxes	14,303,566	14,270,154
Prepayments and utilities deposits	12,290	10,044
	29,936,938	28,645,379

Notes:

- (a) The following is an aged analysis of trade receivables at the end of the reporting period based on the dates of delivery of properties and dates of demand notes:

	At June 30, 2024 <i>RMB'000</i> (unaudited)	At December 31, 2023 <i>RMB'000</i> (audited)
Within 60 days	3,599,023	3,183,144
61 – 180 days	1,039,835	878,144
181 – 365 days	323,103	341,124
1 – 2 years	143,209	155,347
2 – 3 years	27,329	28,069
Over 3 years	8,674	9,833
	5,141,173	4,595,661

- (b) Other receivables mainly comprise rental deposits, receivables of refund of the deposits for land auctions, deposits for construction work, temporary payments and miscellaneous project-related deposits paid which are refundable within one year.

12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
Trade payables and accrued expenditure on construction (<i>Note a</i>)	39,589,292	42,482,145
Dividend payables	1,559,579	2,109,362
Other payables and accrued charges (<i>Note b</i>)	15,357,811	15,189,228
Value added tax payables	5,371,210	7,486,549
Consideration payable for business combination	192,899	332,929
	62,070,791	67,600,213
Less: consideration payable due after one year shown under non-current liabilities	(1,268)	(1,268)
Amount due within one year shown under current liabilities	<u>62,069,523</u>	<u>67,598,945</u>

Notes:

- (a) Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress certified by the Group. The Group has financial risk management policies in place to ensure that all payables are settled within in the credit timeframe.

The following is an aged analysis of trade payables, based on the invoice date at the end of the reporting period:

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
Within 60 days	5,037,250	7,273,996
61 – 180 days	4,295,838	6,428,339
181 – 365 days	6,262,476	5,546,300
1 – 2 years	4,751,603	4,575,440
2 – 3 years	878,045	1,024,799
Over 3 years	527,698	539,735
	<u>21,752,910</u>	<u>25,388,609</u>

- (b) Other payables and accrued charges comprise mainly tax received and payable to the government on behalf of customers, receipt on behalf of certain entities from potential investment partners, accrued salaries and accrued staff welfare.

CHAIRMAN’S STATEMENT

I am pleased to present to our shareholders the half-year business review and outlook for the six months ended June 30, 2024 of Longfor Group Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”).

Over the past six months, the overall macroeconomic condition continued to be highly dynamic with rapid adjustments. The real estate industry has gradually transitioned away from the previous “three highs” model, characterized by high indebtedness, high turnover, and high leverage. In response to such circumstances, multiple policies have been implemented to better support both rigid and upgrade demand for housing, with a goal to accelerate the establishment of a new industry development model.

Longfor Group has implemented and firmly upheld our core objectives including enhancing operating cash flow, improving efficiency and increasing profitability, steadily reducing indebtedness and optimizing inventory structure. For the first half of the year, the Group reported a core attributable profit of RMB4.75 billion, with revenues from investment property operation and services and others reaching RMB13.1 billion, representing a year-on-year increase of 7.6%, the corresponding profit contribution further increased to more than 80% and has contributed to stabilizing our overall profit and optimizing our structure.

The Group prioritizes sustaining a solid financial position, with an emphasis on early repayment of short-term debt over incremental investments. As of mid-year, our interest-bearing debt amounted to RMB187.4 billion, falling by RMB5.2 billion since the beginning of the year. Our average finance cost stood at 4.16%, and the average contract borrowing period has extended to 9.19 years. Importantly, over 80% of our interest-bearing debt is supported by bank financing, establishing a secure financial position that continues to solidify our partnerships with strategic banks and reinforces our confidence in navigating economic cycles. Going forward, we will continue to plan for the reduction of interest bearing debt in advance to ensure the continued safety and stability of the Company’s financial situation.

The national new home sales from January to June 2024 totaled RMB4.71 trillion, representing a year-on-year decline of 25%, continued to face significant pressure amid a stagnant economic recovery. The Group’s development strategy focuses on prudent land acquisition and sales. In the first half of the year, we acquired seven new plots in high-tier cities such as Beijing, Shanghai, and Suzhou. At the same time, we have remained flexible in terms of saleable resources supply and have enhanced precision in management, actively reduced existing inventory, and accelerated the sales of new products, to drive cash flow, improve cash collection, and achieve profitability.

By the end of June, Longfor Commercial has opened 91 shopping malls in 20 core cities, achieving an overall occupancy rate of 96%. Over the past two years, continued shifts in residents' lifestyles and perspectives have led to a growing consumption expenditure emphasis on wellbeing services and immersive experience. Longfor Commercial operations team has adeptly responded to these market trends by actively adjusting our product mix through project renovations and efficient operation, thereby enhancing consumer engagement, improving tenant operations, and generating continued growth in rental income and profits.

Longfor Group's long-term rental apartment brand, Goyoo, has made significant progress in improving product quality and service experience, addressing tenants' needs for facilities and storage. The rental income for the first half of the year reached RMB1.31 billion, with an overall occupancy rate of 95.6%. In April this year, we launched a new asset management brand, Xiaoyaozhou Asset Management. It encompasses six major asset management businesses, including long-term rental apartment, dynamic commercial pedestrian precinct, serviced apartment, industrial office, maternity hospital, and elderly residence. This new brand aims to cater to the needs of a wider age group and for various real-life scenarios, that ultimately achieve asset value preservation and enhancement thanks to comprehensive management and streamlined operation.

The property management brand, Longfor Intelligent Living, has experienced steady growth, generating revenue of RMB5.78 billion in the first half of the year, representing a year-on-year increase of 10.2%. Committed to enhancing the homeowner life experience, we have successfully undertaken public area revitalization and renovation across hundreds of residential projects. Our service enhancements have extended beyond residential clients to the provision of high-quality solutions for commercial enterprises and urban public buildings, as we expand our service radius. In terms of business innovation, we are proactively broadening our portfolio of value-added services through a variety of online and offline activities. Enhancing customer satisfaction and maintaining efficient operational management remain the foundation of our business development. It is also the rule of thumb for our market expansion efforts.

Longfor Smart Construction leverages on the Group's extensive experience in full-fledged development and advanced digital technological capabilities to integrate five core business modules: research and planning, design, construction management, precise engineering, and Qianding digital technology. The one-stop, full-cycle, high-quality services offered to clients fostered project value appreciation. Our service capabilities, honed in traditional construction, continue to improve the Longfor ecological synergy model.

We are steadfast in our commitment to financial stability and product delivery, which are paramount to our sustainable operations. In response to customer needs, we strive to create quality products and provide exceptional services – this is our enduring approach to navigate an ever-evolving market. Furthermore, our focus will be on enhancing our internal capabilities, solidifying skills, coordinating segments, optimizing organizational efficiency, and refining governance – all ultimately strives to achieve quality yet sustainable growth.

We anticipate various market challenges in the second half of the year. Nonetheless, Longfor Group will uphold its strategic strength, and remain committed to our long-term objectives. We are dedicated to growing through resilient improvements and resolute progress.

Last but not least, on behalf of the Board, I extend our heartfelt gratitude to our shareholders, customers, and the community for your unwavering support!

Longfor Group Holdings Limited
Chen Xuping
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Property Development

From January to June 2024, revenue from property development business of the Group was RMB33.76 billion. The Group delivered 3.029 million square meters of property in total gross floor area (GFA) terms. The gross profit margin of overall property development business was 7.4%. Recognized average selling price was RMB11,145 per square meter from January to June 2024.

Table 1: Breakdown of property development revenue of the Group from January to June 2024

City	Revenue*		Total GFA	
	January to June 2024 RMB million	January to June 2023 RMB million	January to June 2024 '000 Sqm	January to June 2023 '000 Sqm
Chengdu	4,342	2,509	266	212
Chongqing	3,111	4,854	296	395
Guiyang	2,513	274	202	25
Hefei	1,750	3,448	117	223
Tianjin	1,660	1,800	100	160
Ji'nan	1,605	733	137	69
Xi'an	1,563	1,000	96	64
Quanzhou	1,492	305	113	37
Nanjing	1,355	1,409	89	51
Changsha	1,205	416	92	76
Wuxi	926	1,431	105	97
Xianyang	920	762	102	80
Changchun	915	618	133	76
Qingdao	912	2,432	128	324
Beijing	804	1,603	35	44
Shenyang	749	2,560	96	228
Fuzhou	701	1,272	69	91
Tangshan	670	–	82	–
Suzhou	644	753	39	45
Yantai	462	472	113	71
Hong Kong	449	715	2	3
Lanzhou	423	1,832	51	180
Jiangmen	422	22	62	5
Hangzhou	386	5,263	46	195
Kunming	349	1,049	29	73

City	Revenue*		Total GFA	
	January to June 2024 RMB million	January to June 2023 RMB million	January to June 2024 '000 Sqm	January to June 2023 '000 Sqm
Guangzhou	333	1,080	17	43
Wuhan	317	2,488	45	251
Shaoxing	262	645	16	27
Wenzhou	260	110	51	6
Haikou	256	274	19	21
Taiyuan	232	13	27	2
Zhanjiang	205	–	22	–
Shanghai	148	819	15	52
Weihai	147	188	18	20
Jinzhong	100	122	13	14
Huizhou	98	599	23	57
Ningbo	95	359	11	19
Dongguan	94	155	14	24
Shijiazhuang	86	3,268	13	215
Zhuhai	66	192	6	23
Sanya	64	430	8	20
Xiamen	63	160	21	11
Yancheng	53	–	3	–
Ganzhou	50	157	13	55
Others	501	1,278	74	148
Total	33,758	49,869	3,029	3,832

* Amount excluding tax

From January to June 2024, the Group achieved contracted sales of RMB51.12 billion. The Group sold 3.655 million square meters in total GFA. Average selling price of GFA sold was RMB13,984 per square meter. Contracted sales from western China, Yangtze River Delta, Pan Bohai Rim, southern China and central China were RMB14.34 billion, RMB13.79 billion, RMB10.29 billion, RMB7.32 billion and RMB5.38 billion respectively, accounting for 28.1%, 27.0%, 20.1%, 14.3% and 10.5% of the contracted sales of the Group, respectively.

Table 2: Details of contracted sales of the Group from January to June 2024

City	Contracted Sales*		Total GFA	
	January to June 2024 <i>RMB million</i>	January to June 2023 <i>RMB million</i>	January to June 2024 <i>'000 Sqm</i>	January to June 2023 <i>'000 Sqm</i>
Chengdu	5,732	11,721	381	535
Xi'an	3,758	6,353	222	340
Suzhou	3,473	5,319	179	204
Hangzhou	2,764	1,562	139	92
Wuhan	2,654	3,853	152	284
Chongqing	2,194	3,535	262	354
Changsha	2,178	3,370	174	256
Beijing	2,100	6,936	52	173
Shanghai	1,784	2,858	45	60
Ji'nan	1,739	2,718	134	184
Guangzhou	1,604	1,235	54	51
Tianjin	1,452	4,327	107	211
Shenyang	1,356	1,741	130	156
Changchun	1,268	1,777	152	177
Nanjing	1,154	3,521	61	138
Guiyang	1,085	1,115	96	99
Hefei	974	7,619	84	386
Quanzhou	925	2,876	64	189
Shenzhen	842	26	26	1
Foshan	826	414	57	28
Fuzhou	813	1,068	78	77
Haikou	767	591	52	31
Jinhua	753	410	37	16
Kunming	654	1,417	46	99
Wenzhou	633	821	37	47
Changzhou	604	793	50	66
Huizhou	593	1,155	56	83
Qingdao	582	1,673	86	195
Lanzhou	560	895	74	92
Ningbo	550	1,812	18	100
Hong Kong	473	1,947	1	7
Taizhou	450	940	35	64
Zhengzhou	441	1,171	43	109
Taiyuan	440	266	52	30

City	Contracted Sales*		Total GFA	
	January to June 2024 RMB million	January to June 2023 RMB million	January to June 2024 '000 Sqm	January to June 2023 '000 Sqm
Shijiazhuang	387	1,789	35	117
Xianyang	332	930	34	88
Yantai	295	433	55	65
Wuxi	226	1,384	29	89
Jinzhong	223	165	32	19
Huzhou	184	292	14	20
Zhongshan	161	209	18	16
Zhuhai	159	421	18	29
Tangshan	151	315	20	37
Baoding	150	19	23	7
Nantong	130	280	11	19
Weihai	117	191	16	21
Yancheng	83	112	5	6
Nanning	62	7	10	3
Zhanjiang	56	407	24	41
Ganzhou	52	187	5	20
Others	177	3,540	70	268
Total	51,120	98,516	3,655	5,799

* Amount including tax

As at June 30, 2024, the Group had sold but unrecognized contracted sales of RMB173.9 billion (with an area of approximately 12.39 million square meters), which formed a solid basis for the Group's sustainable and stable development in the future.

INVESTMENT PROPERTY OPERATION

The Group has been intensifying the management of its properties based on its coverage in first and second-tier cities in China. Currently, the Investment Property Operation of the Group are mainly shopping malls and Goyoo. The shopping malls of the Group have two main product lines, namely urban shopping malls under the brand name of “Paradise Walk” and community shopping malls under the brand name of “Starry Street series”. “Goyoo”, having the purpose of providing new generations with comprehensive rental housing services, have commenced operation in several high-magnitude cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Chongqing, Wuhan and Nanjing.

From January to June 2024, the rental income, net of tax, of the Group’s Investment Property Operation was RMB6.61 billion[#]. The rental income from shopping malls, rental housing and others accounted for 78.4%[#], 19.8% and 1.8% of the total rental income respectively. As at June 30, 2024, the Group has shopping malls totalling 8.29 million square meters in GFA (10.76 million square meters in GFA including parking space) that had commenced operation with an occupancy rate of 96.0%. Additionally, 123,000 apartments by Goyoo had also commenced operation, boasting a leading position in the industry in terms of its scales with the occupancy rate of 95.6%. The occupancy rate of the portions of Goyoo which have commenced operation for more than six months was 96.3%.

[#] Excluded Beijing Chang’an Paradise Walk etc.

Table 3: Breakdown of rental income of the Group’s shopping malls from January to June 2024 ^{##}

	January to June 2024				January to June 2023		
	GFA Sqm	Rental Income* RMB'000	% of rental	Occupancy rate	Rental Income* RMB'000	% of rental	Occupancy rate
Chongqing North Paradise Walk	120,778	233,723	4.4%	95.2%	257,658	5.1%	97.4%
Chongqing West Paradise Walk	76,031	49,182	0.9%	96.0%	52,186	1.0%	94.5%
Chongqing Time Paradise Walk Phase I	160,168	176,933	3.3%	94.8%	183,999	3.7%	93.4%
Chongqing Time Paradise Walk Phase II	154,460	116,850	2.2%	93.7%	133,264	2.7%	94.2%
Chongqing Time Paradise Walk Phase III	73,774	32,912	0.6%	86.0%	35,302	0.7%	86.4%
Chengdu Three Thousand Paradise Walk	23,314	3,067	0.1%	95.9%	6,533	0.1%	48.1%
Chengdu North Paradise Walk	215,536	72,788	1.4%	92.0%	69,456	1.4%	90.3%
Chengdu Time Paradise Walk Phase I	61,989	28,061	0.5%	97.9%	25,407	0.5%	97.1%
Beijing Changying Paradise Walk	221,286	273,214	5.1%	97.0%	276,567	5.5%	98.8%
Hangzhou Jinsha Paradise Walk	151,135	155,712	2.9%	97.5%	148,663	3.0%	97.8%
Chengdu Jinnan Paradise Walk	91,638	67,129	1.3%	97.8%	64,897	1.3%	97.3%
Beijing Daxing Paradise Walk	144,565	126,212	2.4%	96.8%	125,390	2.5%	97.6%
Shanghai Hongqiao Paradise Walk	151,295	64,586	1.2%	91.6%	77,280	1.5%	91.0%
Chongqing U-City Paradise Walk Phase I	15,516	8,069	0.2%	94.4%	7,957	0.2%	91.9%

	January to June 2024				January to June 2023		
	GFA	Rental	% of	Occupancy	Rental	% of	Occupancy
	Sqm	Income*	rental	rate	Income*	rental	rate
		RMB'000			RMB'000		
Chongqing U-City Paradise Walk Phase II	96,411	64,851	1.2%	97.5%	69,119	1.4%	97.4%
Chongqing Hometown Paradise Walk	93,152	57,957	1.1%	96.6%	65,501	1.3%	97.6%
Hangzhou Binjiang Paradise Walk Phase I	158,067	192,088	3.6%	98.4%	174,048	3.5%	99.6%
Suzhou Shishan Paradise Walk	197,466	192,954	3.6%	98.1%	178,134	3.6%	99.0%
Shanghai Baoshan Paradise Walk	98,339	124,019	2.3%	97.3%	110,990	2.2%	97.6%
Changzhou Longcheng Paradise Walk	119,328	62,485	1.2%	98.2%	62,046	1.2%	98.0%
Beijing Fangshan Paradise Walk	103,688	97,823	1.8%	97.9%	103,904	2.1%	98.3%
Chengdu Xichen Paradise Walk	152,639	91,352	1.7%	96.9%	84,502	1.7%	96.5%
Chengdu Binjiang Paradise Walk	140,000	90,670	1.7%	99.5%	81,037	1.6%	97.1%
Hangzhou Binjiang Paradise Walk Phase II	22,627	23,473	0.4%	96.9%	19,419	0.4%	95.6%
Hangzhou Xixi Paradise Walk	130,063	127,755	2.4%	97.5%	123,052	2.5%	98.7%
Hangzhou Zijing Paradise Walk	83,000	62,481	1.2%	97.2%	63,200	1.3%	96.9%
Shanghai Huajing Paradise Walk	42,253	30,875	0.6%	94.2%	31,163	0.6%	93.2%
Shanghai Minhang Paradise Walk	94,859	93,229	1.8%	99.5%	90,007	1.8%	98.5%
Hefei Yaohai Paradise Walk	98,320	43,791	0.8%	97.4%	39,186	0.8%	97.7%
Nanjing Liuhe Paradise Walk	108,000	25,610	0.5%	92.7%	30,292	0.6%	93.9%
Beijing Chang'an Paradise Walk	52,563	52,413	1.0%	98.6%	53,690	1.1%	99.2%
Nanjing Longwan Paradise Walk	120,367	72,851	1.4%	93.6%	76,222	1.5%	96.9%
Nanjing Jiangbei Paradise Walk	146,286	74,612	1.4%	94.2%	73,522	1.5%	95.1%
Xi'an Xiangti Paradise Walk	78,962	47,087	0.9%	99.1%	41,695	0.8%	98.3%
Chongqing Jinsha Paradise Walk	204,113	114,647	2.2%	93.9%	135,295	2.7%	89.6%
Chengdu Shangcheng Paradise Walk	114,227	56,087	1.1%	95.5%	55,800	1.1%	93.0%
Chengdu Time Paradise Walk Phase II	63,183	30,651	0.6%	94.9%	29,312	0.6%	93.8%
Suzhou Star Lake Paradise Walk	112,537	55,966	1.1%	95.5%	56,729	1.1%	95.1%
Chongqing Lijia Paradise Walk	110,508	68,711	1.3%	95.4%	64,352	1.3%	94.2%
Ji'nan Olympic Sports Center Paradise Walk	77,571	43,883	0.8%	95.1%	46,069	0.9%	97.3%
Beijing Lize Paradise Walk	92,014	75,299	1.4%	96.9%	79,073	1.6%	99.4%
Suzhou Shishan Paradise Walk							
Block B	12,259	9,802	0.2%	99.3%	9,452	0.2%	99.4%
Changsha Yanghu Paradise Walk	101,629	33,122	0.6%	91.4%	34,072	0.7%	88.7%
Wuhan Imperial Paradise Walk	138,583	106,952	2.0%	97.7%	105,016	2.1%	98.0%
Chengdu Jincheng Paradise Walk	83,000	50,528	0.9%	99.8%	43,654	0.9%	98.9%
Nanjing Hexi Paradise Walk	112,123	53,577	1.0%	90.2%	62,224	1.2%	94.6%
Beijing Xiyue Paradise Walk	105,311	86,758	1.6%	98.3%	80,031	1.6%	98.0%
Hangzhou Jiangdong Paradise Walk	107,125	43,550	0.8%	97.3%	43,842	0.9%	95.4%
Suzhou Dongwu Paradise Walk	114,200	89,089	1.7%	98.7%	82,923	1.7%	99.2%
Hangzhou Dingqiao Paradise Walk	125,186	83,982	1.6%	95.4%	85,934	1.7%	92.6%
Chongqing Gongyuan Paradise Walk	138,034	40,359	0.8%	92.1%	47,238	0.9%	83.8%
Chongqing Time Paradise Walk Phase VI	77,188	36,660	0.7%	89.4%	34,645	0.7%	89.5%
Chongqing High-Tech Paradise Walk	125,158	65,743	1.2%	97.7%	59,516	1.2%	96.6%
Chengdu Shuxin Paradise Walk	114,721	58,087	1.1%	97.6%	50,207	1.0%	98.0%
Beijing Yizhuang Paradise Walk	107,101	112,039	2.0%	100.0%	105,236	2.1%	99.0%
Qingdao Jiaozhou Paradise Walk	86,935	34,036	0.6%	96.8%	30,164	0.6%	96.6%

	January to June 2024				January to June 2023		
	GFA	Rental	% of	Occupancy	Rental	% of	Occupancy
	Sqm	Income*	rental	rate	Income*	rental	rate
		RMB'000			RMB'000		
Shenyang Hunnan Paradise Walk	86,812	31,471	0.6%	91.2%	27,250	0.5%	88.4%
Shanghai Fengxian Paradise Walk	104,163	106,101	2.0%	97.6%	94,039	1.9%	99.3%
Shanghai Jinhui Paradise Walk	72,919	47,414	0.9%	97.6%	43,590	0.9%	98.7%
Hangzhou Wujiao Paradise Walk	53,884	17,285	0.3%	87.5%	20,464	0.4%	92.2%
Ningbo Yinzhou Paradise Walk	110,899	62,761	1.2%	94.9%	62,357	1.2%	96.6%
Wuhan Baisha Paradise Walk Phase II	35,822	12,561	0.2%	99.7%	14,356	0.3%	93.6%
Wuhan Baisha Paradise Walk Phase I	105,577	61,338	1.2%	98.0%	60,947	1.2%	100.0%
Nanchang Qingshanhu Paradise Walk	95,463	33,926	0.6%	94.9%	38,335	0.8%	93.0%
Hangzhou Guofang Paradise Walk	73,896	34,850	0.7%	94.9%	27,453	0.5%	93.0%
Changsha Furong Paradise Walk	105,372	44,576	0.8%	96.7%	15,188	0.3%	100.0%
Suzhou Xujiang Paradise Walk	91,437	53,600	1.0%	92.6%	5,110	0.1%	98.5%
Ningbo Haishu Paradise Walk	92,344	43,018	0.8%	97.7%	5,131	0.1%	95.2%
Xi'an Qujiang Paradise Walk	63,206	39,457	0.7%	96.4%	37,160	0.7%	98.1%
Ji'nan Beichen Paradise Walk	93,121	41,597	0.8%	98.6%	–	–	–
Chongqing Lijia Paradise Walk Block C	20,552	4,549	0.1%	97.0%	–	–	–
Beijing Beiyuan Paradise Walk	93,262	66,522	1.3%	96.3%	–	–	–
Chengdu Dong'an Paradise Walk	105,991	25,064	0.5%	100.0%	–	–	–
Nanjing Yushan Paradise Walk	125,885	7,175	0.1%	98.0%	–	–	–
Chongqing Yunling Paradise Walk	127,378	5,152	0.1%	90.5%	–	–	–
Paradise Walk Subtotal	7,778,564	5,124,759	96.3%	96.1%	4,827,452	96.4%	95.4%
Chongqing Crystal Castle	9,969	5,918	0.1%	90.6%	9,444	0.2%	91.7%
Chongqing Chunsen Starry Street	54,618	19,789	0.4%	95.7%	19,240	0.4%	98.3%
Chongqing Fairy Castle	29,413	6,633	0.1%	100.0%	6,592	0.1%	100.0%
Beijing Summer Palace Starry Street	6,320	17,850	0.3%	100.0%	16,587	0.3%	100.0%
Xi'an Daxing Starry Street	44,227	31,052	0.6%	95.5%	29,661	0.6%	95.1%
Shanghai Minhang Starry Street	24,740	11,659	0.2%	97.0%	10,185	0.2%	97.4%
Chengdu Wuhou Starry Street	31,168	19,734	0.4%	99.5%	20,317	0.4%	99.6%
Chongqing Aijia Starry Street	52,500	26,822	0.5%	96.9%	28,167	0.6%	90.7%
Longfor Leshan Starry Street	38,190	10,280	0.2%	90.9%	–	–	–
Shijiazhuang Dongchuang Longfor Yuhua Starry Street	39,663	14,373	0.3%	92.3%	–	–	–
Chongqing MOCO	29,104	10,826	0.2%	87.0%	12,312	0.2%	87.9%
Others	147,477	21,976	0.4%	N/A	32,163	0.6%	N/A
Starry Street and Others Subtotal	507,389	196,912	3.7%	95.8%	184,668	3.6%	95.0%
Total rental income of shopping malls	8,285,953	5,321,671	100.0%	96.0%	5,012,120	100.0%	95.4%

From January to June 2024, the total sales volume for shopping malls were RMB34.2 billion, average daily foot traffic was 2.95 million.

* Amount excluding tax

Major investment properties under construction of the Group are as follows:

Table 4: Major investment properties under construction of the Group

	Estimated Commencement of Operation	Planned GFA <i>Sqm</i>
Hefei High-Tech Paradise Walk	2024	121,020
Tianjin Meijiang Paradise Walk	2024	128,067
Shaoxing Jinghu Paradise Walk	2024	133,560
Suzhou Xiangcheng Paradise Walk	2024	143,200
Hainan Haikou Paradise Walk	2024	222,032
Chongqing Longxing Core District Paradise Walk	2025 and thereafter	75,652
Changzhou Yuanshan Paradise Walk	2025 and thereafter	81,889
Hangzhou Binkang Paradise Walk	2025 and thereafter	101,331
Xi'an Changle Paradise Walk	2025 and thereafter	103,029
Chongqing Nanping Paradise Walk	2025 and thereafter	111,192
Changsha Kaifu Paradise Walk	2025 and thereafter	111,591
Nanning Qingxiu Paradise Walk	2025 and thereafter	121,483
Changsha Xinyao Paradise Walk	2025 and thereafter	127,940
Kunming Time Paradise Walk	2025 and thereafter	133,022
Hangzhou Yuncheng Paradise Walk	2025 and thereafter	135,046
Hangzhou Shangcheng Paradise Walk	2025 and thereafter	135,945
Wuhan Xinrong Paradise Walk	2025 and thereafter	152,839
Ji'nan West Railway Station Paradise Walk	2025 and thereafter	157,514
Wuchang Binjiang Paradise Walk	2025 and thereafter	170,600

Due to the rental increase of shopping malls in operation, continuous investments in shopping malls under construction and the development of rental housing Goyoo, the valuation gain of investment properties of the Group amounted to RMB1.50 billion for the period from January to June 2024.

SERVICES AND OTHERS

From January to June 2024, the total income, net of tax, generated from services and others of the Group was RMB6.49 billion, representing an increase of 11.1% as compared to the corresponding period last year. The gross profit margin of the services and others was 32.3%, representing an increase of 0.4% as compared to the corresponding period last year. As at June 30, 2024, the area of the Group's properties in operation was 370 million square meters.

COST CONTROL

From January to June 2024, benefiting from the Group's continuous focus on organization and business efficiency improvement and high quality talents, the Group's share of administrative expenses to development contracted sales and operation service income was 3.6%. To enhance the brand influence of the Group, the selling expenses as a percentage to development contracted sales and operation service income was 3.0%.

SHARE OF RESULTS OF JOINT VENTURES

From January to June 2024, the contribution of joint ventures was mainly from projects such as the Group's 66.0%-owned Chengdu School of Administration. The attributable profit after tax of the Group in joint ventures was RMB340 million.

SHARE OF RESULTS OF ASSOCIATES

From January to June 2024, the contribution of associates was mainly from projects such as the Group's 49.0%-owned Putian Shouxi Project. The attributable profit after tax of the Group in associates was RMB410 million.

INCOME TAX EXPENSE

Income tax expense includes PRC enterprise income tax and land appreciation tax. From January to June 2024, the enterprise income tax expense and land appreciation tax of the Group were RMB2.14 billion and RMB20 million, respectively. The total income tax expenses for the period amounted to RMB2.16 billion.

PROFITABILITY

From January to June 2024, the Group's core net profit margin was 11.7%, while that of the corresponding period last year was 12.6%; and core net profit margin attributable to shareholders was 10.1%, while that of the corresponding period last year was 10.6%. It was mainly due to the combined effects of revenue, expenses, share of results of joint ventures and associates and changes in tax expenses.

LAND BANK REPLENISHMENT

As at June 30, 2024, the Group's total land bank was 41.41 million square meters or 29.59 million square meters on an attributable basis. The average unit land cost was RMB4,729 per square meter, accounting for 33.8% of the unit price of current contracted sales. In terms of regional breakdown, the land bank in Pan Bohai Rim, western China, Yangtze River Delta, central China and southern China accounted for 34.0%, 25.8%, 15.3%, 14.9% and 10.0% of total land bank, respectively.

From January to June 2024, the Group acquired new land bank with total GFA of 600,000 square meters or 350,000 square meters on an attributable basis. Average cost of acquisition on an attributable basis was RMB14,946 per square meter. In terms of regional breakdown, the newly acquired area in Yangtze River Delta, western China, Pan Bohai Rim and southern China accounted for 48.5%, 19.1%, 18.8% and 13.6% of the total GFA of the newly acquired land bank, respectively.

Subsequent to the reporting period[#], the Group have not acquired any new land.

[#] *As of July 31, 2024*

The geographic spread of the land bank of the Group was as follows:

Table 5: Breakdown of the land bank of the Group

Region	City	Total GFA Sqm	% of Total	Attributable GFA Sqm	% of Total
Pan Bohai Rim	Yantai	6,856,609	16.5%	6,856,609	23.2%
	Qingdao	1,524,068	3.7%	1,058,646	3.6%
	Ji'nan	1,290,780	3.1%	1,148,266	3.9%
	Shenyang	1,283,070	3.1%	742,117	2.5%
	Changchun	915,577	2.2%	665,381	2.2%
	Tianjin	648,528	1.6%	519,975	1.8%
	Baoding	520,667	1.3%	520,667	1.8%
	Beijing	396,775	1.0%	132,593	0.4%
	Shijiazhuang	236,555	0.6%	161,473	0.5%
	Taiyuan	150,791	0.4%	150,791	0.5%
	Tangshan	100,981	0.2%	50,491	0.2%
	Jinzhong	82,831	0.2%	82,831	0.3%
	Weihai	52,234	0.1%	36,564	0.1%
	Subtotal	14,059,466	34.0%	12,126,404	41.0%
Central China	Wuhan	2,263,145	5.4%	1,192,430	4.0%
	Ezhou	1,771,863	4.3%	620,152	2.1%
	Changsha	1,531,834	3.7%	1,332,994	4.5%
	Zhengzhou	488,122	1.2%	285,791	1.0%
	Ganzhou	119,784	0.3%	78,353	0.3%
	Subtotal	6,174,748	14.9%	3,509,720	11.9%
Western China	Chongqing	2,752,312	6.7%	1,753,426	6.0%
	Guiyang	2,239,371	5.4%	905,882	3.1%
	Chengdu	1,627,188	3.9%	1,222,458	4.1%
	Xi'an	1,582,507	3.8%	1,214,444	4.1%
	Xianyang	829,952	2.0%	459,115	1.6%
	Lanzhou	657,630	1.6%	512,740	1.7%
	Yuxi	515,924	1.2%	515,924	1.7%
	Kunming	498,393	1.2%	451,723	1.5%
	Subtotal	10,703,277	25.8%	7,035,712	23.8%

Region	City	Total GFA <i>Sqm</i>	% of Total	Attributable	
				GFA <i>Sqm</i>	% of Total
Yangtze River Delta	Hangzhou	1,247,892	3.0%	801,400	2.6%
	Hefei	801,399	1.9%	677,974	2.3%
	Suzhou	737,426	1.8%	503,617	1.7%
	Nanjing	632,898	1.5%	510,366	1.7%
	Ningbo	625,021	1.5%	312,511	1.1%
	Wenzhou	467,754	1.1%	244,816	0.8%
	Taizhou	401,065	1.0%	215,001	0.7%
	Changzhou	398,456	1.0%	260,105	0.9%
	Shanghai	373,301	0.9%	254,524	0.9%
	Yancheng	246,650	0.6%	152,052	0.5%
	Wuxi	227,984	0.6%	167,939	0.6%
	Nantong	172,986	0.4%	104,728	0.4%
	Yangzhou	4,004	0.0%	4,004	0.0%
		Subtotal	6,336,836	15.3%	4,209,037
Southern China	Xiamen	548,708	1.5%	219,951	0.9%
	Guangzhou	508,922	1.2%	426,185	1.4%
	Haikou	483,673	1.2%	483,673	1.6%
	Zhuhai	418,527	1.0%	117,995	0.4%
	Foshan	262,355	0.6%	201,762	0.7%
	Dongguan	245,719	0.6%	245,719	0.8%
	Fuzhou	227,445	0.5%	148,545	0.5%
	Quanzhou	221,620	0.5%	134,961	0.5%
	Nanning	197,088	0.5%	96,573	0.3%
	Huizhou	196,927	0.5%	148,807	0.5%
	Zhaoqing	186,346	0.4%	130,442	0.4%
	Shenzhen	170,271	0.4%	122,108	0.4%
	Zhanjiang	138,528	0.3%	109,085	0.4%
	Qingyuan	135,359	0.3%	69,033	0.2%
	Putian	134,693	0.3%	33,660	0.1%
	Zhongshan	63,506	0.2%	25,402	0.1%
	Subtotal	4,139,687	10.0%	2,713,901	9.2%
	Total	41,414,014	100.0%	29,594,774	100.0%

Table 6: Land acquisitions from January to June 2024

Region	Project	City	Attributable Interest %	Total GFA Sqm	Attributable GFA Sqm
Pan Bohai Rim	Changping Life Science Park Site	Beijing	50%	114,000	57,000
	Subtotal			114,000	57,000
Western China	Hangtai 31 Mu Plot	Xi'an	60%	72,558	43,535
	Jinniu Renbei 14 Mu Plot	Chengdu	55%	39,948	21,971
	Subtotal			112,506	65,506
Yangtze River Delta	Fengxian New Town Plot	Shanghai	70%	100,478	70,335
	Xiangcheng High-Speed Railway New Town Plot	Suzhou	51%	95,449	48,679
	Puyan 48 Mu Plot	Hangzhou	50%	93,860	46,930
	Subtotal			289,787	165,944
Southern China	Foshan Amusement Park Plot	Foshan	70%	81,214	56,850
	Subtotal			81,214	56,850
	Total			597,507	345,300

FINANCIAL POSITION

As at June 30, 2024, the Group's consolidated borrowings amounted to RMB187.42 billion. Cash in hand was RMB50.06 billion*. Net debt to equity ratio (net debt divided by total equity) was 56.7%. Liabilities to asset ratio (ex. Pre-sale Deposits)** was 58.6%. The credit rating of the Group was BB+ by Standard & Poor, Ba2 by Moody's, BB+ by Fitch, and AAA by CCXR***, Shanghai Brilliance.

* *Of them, regulated pre-sale funds amounted to RMB19.16 billion*

** *Liabilities to asset ratio (ex. Pre-sale Deposits) = (total liabilities – Pre-sale Deposits)/(total assets – Pre-sale Deposits)*

*** *The ratings given by CCXR were for the rating on Chongqing Longhu Development Co., Ltd., a major subsidiary of the Company in Mainland China.*

Approximately 83.5% of the Group's total borrowings were denominated in RMB, while 16.5% were denominated in foreign currencies. The Group maintains its borrowings in foreign currencies in a low proportion with all exchange rate swap so as to control the risk in exchange losses.

Approximately RMB41.21 billion of the Group's consolidated borrowings were with fixed interest rates ranging from 3.5% to 4.8% per annum, depending on the term of the loans, and the other loans were quoted at floating rates. As of June 30, 2024, the fixed interest debt as a percentage of total debt was 22% (December 31, 2023: 32%).

The Group's average finance cost was 4.16%. The average contract borrowing period was 9.19 years. The unsecured debt as a percentage of total debt was 47.5%. The debt due within one year was RMB29.41 billion, accounting for 15.7% of total debt. Excluding regulated pre-sale funds and restricted capital, cash to short-term debt multiple was 1.01X.

EMPLOYEES AND COMPENSATION POLICY

The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. The total compensation of employees consisted of base salary, cash bonus and share-based rewards. The distribution of cash bonus is assessed and determined based on a combination of factors, such as the Group's actual performance against its targets and the scores gained on the balanced scorecard of its subsidiaries.

REVIEW AND OUTLOOK

In the first half of 2024, the new housing market has continued its adjustment trend, with national new home sales reaching RMB4.71 trillion, representing a year-on-year decrease of 25%. Industry policies have been strategically directed toward phasing out existing real estate stock and optimizing new housing offerings since the beginning of the year. The focus remains on supporting both rigid and upgrade demand for housing, expediting the evolution of a new real estate development model, and fostering sustainable and long-term industry development.

Based on the high-quality development model, the Group centers on three major business segments of property development, investment property operation and services and others and firmly pursue the synergies between five main business divisions, namely property development, commercial investment, asset management, property management, and smart construction. By maintaining a customer-centric approach, the Group continuously refines and updates its organizational structure, enhances its professional capabilities, and boosts its operational efficiency.

In terms of property development, the Group remains committed to its strategy of focusing on core cities. In the first half of the year, Longfor achieved a contracted sales amount of RMB51.1 billion, with sales in tier-1 and tier-2 cities accounted for over 90%. The consolidated cash collection rate surpassed 100%, continuing to maintain high-quality cash collection. Looking ahead to the second half of the year, the Group will spare flexibility to launch saleable resources taking into consideration of market situations, and will mainly focus on reducing inventory. We will also continuously iterate and upgrade our products to satisfy the diverse needs of our customers, which also contributes to effective inventory management.

As for commercial investment, in the first half of the year, the Group successfully launched three new shopping malls as scheduled, including one light-asset project, bringing our total to 91 operational shopping malls. Longfor Commercial has been expanding brand partnerships, optimizing and transforming existing projects, and revitalizing consumer scenarios to cater to the diverse needs of customers. The occupancy rate at the end of the period stood at 96%, and rental income for the first half of the year showed a year-on-year increase of 6% to reach RMB5.32 billion. For the second half of the year, Longfor plans to launch approximately 10 shopping malls in key cities such as Suzhou, Hefei, and Tianjin. Longfor Commercial will steadfastly adhere to its strategy of balancing light and heavy asset while deepening its presence in core cities.

In April this year, the Group released a new asset management brand, Xiaoyaozhou Asset Management, which encompasses six major businesses: long-term rental apartment, dynamic commercial pedestrian precinct, serviced apartment, industrial office, maternity hospital, and elderly residence. This initiative leverages on our extensive portfolio of businesses to establish a diversified asset management business to better address market demands and user needs. Notably, the long-term rental apartment brand, Goyoo, has launched 123,000 rooms in aggregate, boasting an overall occupancy rate of 95.6%, with the rental income for the first half of the year increased by 6% year-on-year to RMB1.31 billion.

In terms of property management, Longfor Intelligent Living continues to elevate service quality and expand its operational footprint, managing a total area of 370 million square meters as at the end of the period. Through advanced digital and intelligent technology systems, we precisely identify customer needs and offer improved services to homeowners. Customer satisfaction rate has consistently remained above 90% for 15 consecutive years.

The Group's smart construction brand, Longfor Intelligent Construction, synergizes the comprehensive property development expertise with digital capabilities, and continuously expands into high-quality projects with the advantages of full-chain and full-type services. With a focus on the One Longfor ecosystem, the brand collaborates with other segments of the Group on project construction management. This collaborative effort has led to a significant presence in tier-1 and tier-2 cities, including Beijing, Chengdu, Chongqing, and Hangzhou.

Looking ahead, the Group will remain steadfast in its core strategy of high-quality development. Longfor will adhere to a prudent financial management strategy, orderly reduce debt scale, continuously adjust inventory structures, and optimize profit structure to ensure stable and sustainable growth.

PAYMENT OF INTERIM DIVIDEND

The Board declared payment of an interim dividend of RMB0.22 per share for the six months ended June 30, 2024. The interim dividend shall be declared in RMB and paid in Hong Kong dollars. The interim dividend payable in Hong Kong dollars will be converted from RMB at the average mid-point rate of exchange rates of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Thursday, February 20, 2025 to Friday, February 21, 2025. The interim dividend will be paid on Tuesday, April 8, 2025 to the shareholders whose names appear on the register of members of the Company on Thursday, February 27, 2025. The eligible Shareholders are given an option to elect to receive the interim dividend all in cash or new Shares or partly in new Shares and partly in cash (the “**Scrip Dividend Scheme**”).

The Scrip Dividend Scheme is subject to The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new Shares to be issued pursuant thereto.

A circular giving full details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the eligible Shareholders on or around Thursday, March 6, 2025. It is expected that the interim dividend warrants and certificates for the new Shares (in case the eligible Shareholders have elected to receive part or all their interim dividend in the form of new Shares) will be dispatched to the eligible Shareholders on Tuesday, April 8, 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, February 26, 2025 to Thursday, February 27, 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, February 25, 2025.

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

During the six months ended June 30, 2024, the trustee of the Restricted Share Award Scheme purchased on The Stock Exchange of Hong Kong Limited a total of 20,283,039 shares at a total consideration of approximately HKD207,495,045 pursuant to the terms of the trust deed under the Restricted Share Award Scheme; in addition, the Company and its subsidiaries purchased senior notes issued by the Company in an aggregate principal amount of USD274,500,000 on the open market.

Other than the aforesaid, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2024.

CORPORATE GOVERNANCE

The Company recognises the importance of corporate transparency and accountability. We are committed in achieving a high standard of corporate governance and leading the Group to attain better results and enhance company value with effective corporate governance procedures. During the six months ended June 30, 2024, the Company has adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Listing Rules, except with the following deviation:

Following the appointment of Mr. Chen Xuping as the Chairman of the Board with effect from October 28, 2022, Mr. Chen Xuping assumes the dual roles of the Chairman of the Board and the Chief Executive Officer of the Company. This deviates from code provision C.2.1 of the Code, which requires that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. After evaluating the development of the Group and taking into account of the experience of Mr. Chen Xuping, the Board was of the opinion that it is in the best interest of the Company at the present stage for vesting the roles of the Chairman of the Board and the Chief Executive Officer of the Company in the same person as it helps to facilitate the execution of the Group's development strategies. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive directors, namely Mr. Chan Chi On, Derek, Mr. Frederick Peter Churchouse, and Mr. Xiang Bing and is chaired by Mr. Chan Chi On, Derek. The Group's unaudited condensed consolidated interim results for the six months ended June 30, 2024 were reviewed by the members of the Audit Committee before submission to the Board for approval.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Company's securities transactions of directors on no less exacting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules. Having been made specific enquiry, all the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended June 30, 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Company (www.longfor.com) and the designated website for issuers of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), respectively. The interim report 2024 of the Company will be dispatched to the shareholders of the Company and be available on the above websites in due course.

By Order of the Board
Longfor Group Holdings Limited
Chen Xuping
Chairman

Hong Kong, August 23, 2024

As at the date of this announcement, the Board comprises nine members: Mr. Chen Xuping, Mr. Zhao Yi, Mr. Zhang Xuzhong and Ms. Shen Ying who are executive directors; Mr. Xia Yunpeng who is non-executive director; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Leong Chong who are independent non-executive directors.