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**EVERBRIGHT GRAND CHINA ASSETS LIMITED**  
**光大永年有限公司**

*(Incorporated in the British Virgin Islands with limited liability and transferred by way of continuation into the Cayman Islands)*  
**(Stock code: 3699)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**FINANCIAL HIGHLIGHTS**

- For the six months ended 30 June 2024, the Group's revenue and profit attributable to equity shareholders of the Company amounted to approximately RMB23.9 million (2023: RMB22.1 million) and approximately RMB11.4 million (2023: RMB13.3 million), respectively.
- For the six months ended 30 June 2024, basic earnings per share of the Group was approximately RMB0.03 (2023: approximately RMB0.03).
- Interim dividend of RMB0.78 cents (equivalent to HK0.85 cents) per ordinary share for the six months ended 30 June 2024 (2023: RMB1.06 cents (equivalent to HK1.16 cents)).

The board (the “**Board**”) of directors (the “**Directors**”) of Everbright Grand China Assets Limited (the “**Company**”) is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023. The interim financial results are unaudited, but the Company has engaged KPMG to review the interim financial results, 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, whose report on review of interim financial information is included in the interim report to be sent to the shareholders of the Company (the “**Shareholders**”). The interim financial results have also been reviewed by the Audit Committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 — unaudited

(Expressed in Renminbi (RMB))

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	3	<b>23,893</b>	22,122
Cost of services		<u>(6,434)</u>	<u>(5,494)</u>
<b>Gross profit</b>		<b>17,459</b>	16,628
Valuation gains on investment properties	8	<b>955</b>	5,380
Other net income	4	<b>3,430</b>	3,987
Distribution costs		<b>(134)</b>	(304)
Administrative expenses		<b>(7,246)</b>	(7,759)
Other operating expenses		<u>(112)</u>	<u>(704)</u>
<b>Profit from operations</b>		<b>14,352</b>	17,228
Finance costs	5	<u>(12)</u>	<u>(23)</u>
<b>Profit before taxation</b>	5	<b>14,340</b>	17,205
Income tax	6	<u>(2,910)</u>	<u>(3,884)</u>
<b>Profit for the period</b>		<b><u>11,430</u></b>	<b><u>13,321</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b><u>11,430</u></b>	<b><u>13,321</u></b>
<b>Earnings per share</b>	7		
Basic and diluted		<b><u>RMB0.03</u></b>	<b><u>RMB0.03</u></b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2024 — unaudited*

*(Expressed in RMB)*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Profit for the period</b>	<b>11,430</b>	13,321
<b>Other comprehensive income for the period (after tax):</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of the Company	<b>17,590</b>	34,355
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of companies outside the People's Republic of China (the "PRC")	<u><b>(16,340)</b></u>	<u>(31,840)</u>
<b>Total comprehensive income for the period</b>	<u><b>12,680</b></u>	<u>15,836</u>
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<u><b>12,680</b></u>	<u>15,836</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 — unaudited

(Expressed in RMB)

	<i>Note</i>	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current assets</b>			
Investment properties	8	962,300	959,500
Property, plant and equipment	8	1,531	1,541
Right-of-use assets		815	1,416
Deferred tax assets		431	405
		<u>965,077</u>	<u>962,862</u>
<b>Current assets</b>			
Trade and other receivables	9	11,100	9,225
Cash and cash equivalents	10	223,340	222,211
		<u>234,440</u>	<u>231,436</u>
<b>Current liabilities</b>			
Trade and other payables	11	16,803	22,774
Contract liabilities		1,100	1,366
Lease liabilities		815	1,222
Current taxation		869	450
		<u>19,587</u>	<u>25,812</u>
<b>Net current assets</b>		<u>214,853</u>	<u>205,624</u>
<b>Total assets less current liabilities</b>		<u>1,179,930</u>	<u>1,168,486</u>

	<i>Note</i>	At <b>30 June 2024</b> <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		—	206
Deferred tax liabilities		<u>197,539</u>	<u>195,921</u>
		<u>197,539</u>	<u>196,127</u>
<b>NET ASSETS</b>		<b><u>982,391</u></b>	<b><u>972,359</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital		345,042	345,042
Reserves		<u>637,349</u>	<u>627,317</u>
<b>TOTAL EQUITY</b>		<b><u>982,391</u></b>	<b><u>972,359</u></b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in thousands of RMB unless otherwise indicated)*

## 1 BASIS OF PREPARATION

This interim financial report 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 27 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies 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 2023 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 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.

## 2 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:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“**2020 amendments**”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

### **Amendments to HKAS 1, *Presentation of financial statements* (“2020 and 2022 amendments”, or collectively the “HKAS 1 amendments”)**

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any material reclassification to be made.

### **Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback***

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

**Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments:  
Disclosures — Supplier finance arrangements**

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

**3 REVENUE AND SEGMENT REPORTING**

The principal activities of the Group are property leasing and provision of property management services.

**(a) Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major service lines and by geographical location of customers is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Provision of property management services	<b>7,566</b>	5,905
<b>Revenue from other sources</b>		
Gross rentals from investment properties	<b>16,327</b>	16,217
	<b><u>23,893</u></b>	<b><u>22,122</u></b>

**(b) Segment reporting**

The directors of the Company have been identified as the Group's most senior executive management. Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

The Group primarily operates in the PRC and accordingly, no geographical information is presented.



#### 4 OTHER NET INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest income from bank deposits	3,499	3,064
Net foreign exchange (losses)/gains	(414)	841
Others	345	82
	<u>3,430</u>	<u>3,987</u>

#### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(a) <i>Finance costs</i>		
Interest expenses on lease liabilities	<u>12</u>	<u>23</u>
(b) <i>Other items</i>		
Depreciation		
— owned property, plant and equipment	90	73
— right-of-use assets	609	596
Impairment of trade receivables	<u>101</u>	<u>695</u>

## 6 INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax — PRC CIT	1,318	1,444
Deferred taxation	1,592	2,440
	<u>2,910</u>	<u>3,884</u>

Effective from January 1, 2008, the PRC statutory income tax rate is 25% under the PRC Corporate Income Tax Law. The Group's subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

Pursuant to “Announcement on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises (Announcement No. 13 [2022])” and “Announcement on the Preferential Income Tax Policies for Micro and Small Enterprises and Sole Proprietorship Enterprises (Announcement No. 6 [2023])”, Chengdu Everbright Property Management Co., Ltd. and Chengdu Sing Kong City Real Estate Co., Ltd. fall within the eligible industry category and are eligible to enjoy the preferential income tax rate of 5% (a reduced rate of 25% of the taxable income amount, and be subject to corporate income tax at a 20% tax rate for income that does not exceed RMB3,000,000) for the six months ended 30 June 2024 (2023: 5% for taxable income that does not exceed RMB3,000,000).

Tax for other entities of the Group is charged at their respective applicable income tax rates ruling in the relevant jurisdictions.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10% (2023: 5% or 10%). The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

## 7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB11,430 thousand (six months ended 30 June 2023: RMB13,321 thousand) and the weighted average of 441,400,000 ordinary shares (six months ended 30 June 2023: 441,400,000 shares) in issue during the interim period.

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

## 8 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

### (a) Acquisitions and disposals of owned assets

During the six months ended 30 June 2024, the Group acquired items of plant and machinery with a cost of RMB91,000 (six months ended 30 June 2023: RMB20,000).

### (b) Valuation

The valuations of investment properties carried at fair value were updated at 30 June 2024 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the 31 December 2023 valuations.

## 9 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors based on the date the relevant trade receivables recognised and net of loss allowance is as follows:

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Trade debtors, net of loss allowance		
— Within 1 month	9,880	6,993
Prepayments	542	1,627
Other receivables	678	605
	<u>11,100</u>	<u>9,225</u>

## 10 CASH AND CASH EQUIVALENTS

	At 30 June 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Bank deposits	223,318	222,189
Cash on hand	22	22
Cash and cash equivalents in the statement of financial position	223,340	222,211
Less: Time deposits with original maturity of more than three months when acquired	—	(67,967)
Cash and cash equivalents in the consolidated statement of financial position and in the consolidated cash flow statement	<u>223,340</u>	<u>154,244</u>

## 11 TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables (i)	210	674
Other taxes and charges payable	641	1,139
Deposits received	2,810	3,571
Accrued payroll and other benefits	720	3,533
Rental receipts-in-advance	8,633	11,558
Dividend payable (note 12(b))	2,648	—
Other payables	1,141	2,299
	<u>16,803</u>	<u>22,774</u>
Total	<u>16,803</u>	<u>22,774</u>

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 3 months	18	—
Over 3 months and within one year	192	674
	<u>210</u>	<u>674</u>
Total	<u>210</u>	<u>674</u>

## 12 DIVIDENDS

- (a) Dividends payable to equity shareholders attributable to the interim period

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interim dividend declared and paid after the interim period of 0.78 cents per share (six months ended 30 June 2023: 1.06 cents per share)	<u>3,443</u>	<u>4,678</u>

On 27 August 2024, the board of directors declared an interim dividend of RMB0.78 cents per ordinary share, amounting to a total of approximately RMB3,443,000 (equivalent to approximately HKD3,772,000), for the six months ended 30 June 2024. This interim dividend has not been recognised as a liability in the condensed consolidated interim financial information.

- (b) **Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period:**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend of previous financial year declared and approved was 0.60 cents per share (six months ended 30 June 2023: 1.90 cents per share)	<u><b>2,648</b></u>	<u><b>8,387</b></u>

### 13 MATERIAL RELATED PARTY TRANSACTIONS

- (a) **Name and relationship with related parties**

During the six month period ended 30 June 2024 and 2023, transactions with the following parties are considered as related party transactions:

<b>Name of party</b>	<b>Relationship with the Group</b>
China Everbright Group Limited (“ <b>China Everbright</b> ”)	Intermediate holding company
Everbright Securities Company Limited* 光大證券股份有限公司	Company controlled by China Everbright
China Everbright Bank Co., Ltd.* and its branches 中国光大银行股份有限公司	Company controlled by China Everbright
Guangrui Juyao (Beijing) Wealth Asset Management Co., Ltd.* 光瑞聚耀(北京)財富資產管理有限公司	Company controlled by China Everbright

The English translation of the entities’ names is for reference only. The official names of these entities are in Chinese.

- (b) The material related party transactions entered by the Group during the interim period are as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Property leasing income	<b>5,003</b>	4,999
Property management income	<b>153</b>	153
Placement of deposits	<b>8,900</b>	450,417
Withdrawal of deposits	<b>9,963</b>	450,180
	<b><u>9,963</u></b>	<u>450,180</u>

- (c) Other transactions with related parties:

During the year ended 31 December 2020, the Group has entered into a loan service framework agreement with China Everbright Group Limited dated 2 November 2020 (the “**Agreement**”) for a term of five years commencing retrospectively from 1 January 2020 and ending on 31 December 2024, details of which are set out in the Company’s announcement dated 2 November 2020. During the six months ended 30 June 2024 and 2023, the Group has not utilised any facilities of the Agreement.

- (d) Outstanding balances with related parties:

	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Cash and cash equivalents placed with a related bank	<b>13,719</b>	14,782
Trade and other receivables	<b>2,202</b>	2,227
Trade and other payables	<b>8,356</b>	7,556
Contract liabilities	<b>153</b>	—
	<b><u>153</u></b>	<u>—</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

For the six months ended 30 June 2024, the Group's revenue and profit attributable to equity shareholders of the Company amounted to approximately RMB23.9 million (2023: RMB22.1 million) and approximately RMB11.4 million (2023: RMB13.3 million), respectively.

### **BUSINESS REVIEW**

The Group is principally engaged in the businesses of property leasing and the provision of property management services.

For the six months ended 30 June 2024, the Group recorded a revenue of approximately RMB23.9 million (2023: RMB22.1 million), representing an increase of approximately RMB1.8 million as compared to the same period last year, mainly due to the increase in the management service income. Profit attributable to equity shareholders of the Company amounted to approximately RMB11.4 million (2023: RMB13.3 million), representing a decrease of approximately RMB1.9 million as compared to the same period last year, mainly attributable to the decrease in the valuation gains on investment properties. The basic earnings per share was approximately RMB0.03 (2023: RMB0.03). A review of the Group's business segments is set out below.

#### **Property Leasing**

For the six months ended 30 June 2024, the Group generated rental income of approximately RMB16.3 million (2023: RMB16.2 million), representing an increase of approximately RMB0.1 million as compared to the same period last year. The average occupancy rate of the properties was approximately 77% (2023: 73%) during the period.

#### **Property Management Service**

During the period, revenue from the property management services was approximately RMB7.6 million (2023: RMB5.9 million), representing an increase of approximately RMB1.7 million as compared to the same period last year, due to the increase in the value-added management services income.

## **Sale of Properties**

There was no sale of property during the period ended 30 June 2024 (2023: Nil).

## **Investment Properties**

As at 30 June 2024, the fair value of the investment properties was RMB962.3 million (31 December 2023: RMB959.5 million). For the six months ended 30 June 2024, valuation gain on investment properties was RMB1.0 million (2023: RMB5.4 million), representing a decrease of approximately RMB4.4 million as compared to the same period last year.

## **PROSPECTS**

In 2024, the global economy is on its way to resuming normalcy after experiencing two consecutive years of slowdown. However, the growth rate remains relatively weak, and the growth momentum is cooling down. Facing challenges such as interest rate hikes in Europe and the United States, easing inflation, and geopolitical risks, uncertainties are increasing regarding the prospects of the recovery. Nevertheless, in the first half of 2024, the Chinese economy started off on a positive note. Despite the weakened growth momentum, the relatively steady Chinese economy has been supported by a continuous improvement in economic conditions.

According to data released by the National Bureau of Statistics, as we enter 2024, the real estate industry was still undergoing a period of adjustment and transformation. Both the sales area and amount registered a year-on-year decline, and the growth rate of new and completed projects also slowed down. However, there were positive changes in real estate development investment in 2024, with a narrower overall decline compared to 2023. The central government's continued efforts to promote economic growth and implement several stabilizing policies for the housing market, along with the introduction of new financial measures to support the real estate sector, are expected to boost the housing and rental markets and have a positive impact on stabilizing the property management industry. Additionally, the sustained recovery in consumer spending is expected to be a core driving force for China's economic growth in 2024 as well as to boost demand for leasing in the commercial real estate sector.



The properties managed by the Group are primarily commercial properties. We closely monitor market developments and actively deploy targeted strategies to carefully evaluate market conditions, reasonably adjust rental rates, and seize opportunities to acquire new tenants. In the first half of 2024, the Group maintained consistent tenant occupancy, lease agreements, and rental rates. Furthermore, we remained debt-free with a strong cash balance throughout the review period, indicating a healthy and robust financial position. Looking ahead in both domestic and international environments, the Group will continue to focus on property investment and prudently seek suitable investment projects with long-term return potential.

After experiencing unprecedented economic challenges, the strategic development of the property management industry has undergone a significant transformation. Property management enterprises have become more cautious in their strategic approach and are no longer blindly pursuing large scale expansions. The Group is focusing on refining and perfecting service quality along with prioritizing a stable cash flow and business growth rate, in addition to adopting a principle of “establishing the new before abolishing the old.” Moreover, in 2024, the government introduced policies that shifted the classification of the property service industry from “encouraged category – other service industries” to “encouraged category – commercial service industry”. This further clarifies the positioning and nature of the property service industry. The adjustment will help the industry to gradually reduce its reliance on real estate attributes and integrate more into modern commercial and consumer services which will create new opportunities for property management enterprises to generate profit. With policy support, the Group will continue to enhance our facilities and services with the aim of strengthening value-added facilities for our clients.

As innovation in the digital economy continues to progress, China is actively driving digital transformation. Property management enterprises are undergoing hardware upgrades and software enhancements to adopt intelligent methods for simulating operations, optimizing human resources allocation, and accelerating the industry’s transformation. These enterprises have successfully implemented digital operations in various scenarios. With the ongoing development of technologies such as artificial intelligence, it is anticipated that property management enterprises will soon be implementing these new cutting edge technologies to increase efficiency for both internal management and external services. This, in turn, will further enhance their service and management capabilities.

Looking ahead, the Group is committed to maintaining a steady and cautious business strategy, prioritizing quality and stability. We will also proactively align with national policies and efficiently manage market value. Emphasizing risk management and internal controls, we are dedicated to creating long-term and sustainable value for our shareholders. The Group firmly believes that by actively adapting to evolving national policies and industry dynamics, the Group will continuously expand its brand influence in the property management sector and generate greater value for society.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2024, the Group's total equity was approximately RMB982.4 million (31 December 2023: RMB972.4 million). The Group maintained cash and bank balances of approximately RMB223.3 million (31 December 2023: RMB222.2 million). The Group's current assets, current liabilities and net current assets were approximately RMB234.4 million, RMB19.6 million and RMB214.9 million (31 December 2023: RMB231.4 million, RMB25.8 million and RMB205.6 million), respectively. The decrease in current liabilities and the increase in net current assets were due to the decrease in rental receipts-in-advance and other payables.

The working capital and long-term funding required by the Group are primarily derived from income generated from the core business operations. The Group's gearing ratio, being measured by the Group's total liabilities over its total assets, was 18.1% (31 December 2023: 18.6%). The slight decrease is mainly due to the decrease in trade and other payables. The Group's liquidity position was well-managed.

To manage the liquidity risk, an adequate level of cash and cash equivalents that the Group considers sufficient to finance its operations and mitigate the effects of fluctuations in cash flow has been maintained. The net current assets position and utilisation of borrowings are also regularly monitored by the Group to ensure efficient use of the available banking facilities and compliance with the loan covenants.

## **CHARGES ON GROUP ASSETS**

As at 30 June 2024, the Group had no charged assets (31 December 2023: Nil).

## **FOREIGN EXCHANGE**

The Group's transactions, monetary assets and liabilities are principally denominated in Renminbi. The management of the Group is of the opinion that the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the period. Therefore, the Group did not engage in any hedging activities.

## **CONTINGENT LIABILITY**

As at 30 June 2024, the Group had no contingent liability (31 December 2023: Nil).

## USE OF NET PROCEEDS FROM THE LISTING

The net proceeds raised from the global offering on 16 January 2018 (the “**Listing Date**”), after deducting relevant listing expenses, was approximately RMB116.1 million (“**Net Proceeds**”). Up to 30 June 2024, the Group had used approximately RMB16.1 million (31 December 2023: RMB15.1 million) of the Net Proceeds for the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

	Net Proceeds	Amount utilised up to 31 December 2023	Utilised during the period ended 30 June 2024	Amount utilised up to 30 June 2024	Unutilised Net Proceeds as at 30 June 2024	Expected timeline for utilising the remaining Net Proceeds
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	(Note)
Acquisition of properties in the major cities of the United Kingdom (“ <b>U.K.</b> ”)	92,904	3,162	—	3,162	89,742	Expected to be fully utilised on or before 31 December 2025
Upgrade in building facilities and/or renovating the properties of the Group	11,613	7,778	1,042	8,820	2,793	Expected to be fully utilised on or before 31 December 2025
Working capital and general corporate purposes	11,613	4,140	—	4,140	7,473	N/A
<b>Total</b>	<b>116,130</b>	<b>15,080</b>	<b>1,042</b>	<b>16,122</b>	<b>100,008</b>	

*Note:* The expected timeline for fully utilizing the unutilised Net Proceeds is based on the best estimations of the future market conditions made by the Group and is subject to change based on the current and future development of the market condition.

As at 30 June 2024, the unutilised Net Proceeds was approximately RMB100.0 million (31 December 2023: RMB101.0 million).

The Group has resumed site visits since 2023 and will continue to conduct market research and liaise with property agents for acquisition of property in London that fit the Group’s selection criteria and development strategy. Taking into account that the fluctuation in the UK property prices and the changing demand in the UK housing market led by the increase in remote working after the COVID-19 pandemic, the time required to identify potential targets which fit the property selection criteria and development strategy of the Group and the time required to complete such acquisition, it is expected that the remaining amount of the unutilised Net Proceeds allocated for acquisition of properties in major cities of the U.K. will be fully utilised by the end of 2025.

Similarly following the recovery from the COVID-19 pandemic, the Group expects to see a business recovery. During the period ended 30 June 2024, improvements and upgrades have gradually been made to the properties on necessary basis to allow the Group to improve the properties' occupancy rates and further increase their average rent. Considering our development strategies and the time required to undergo upgrades and renovation, it is expected that the remaining amount of the unutilised Net Proceeds allocated for upgrading building facilities and/or renovating the properties of the Group will be fully utilised by the end of 2025.

Going forward in 2024, the Directors will closely monitor the current and future market development to evaluate its business objectives and to apply the unutilised Net Proceeds according to the changing market condition to create greater value for the shareholders of the Company (the “**Shareholders**”).

The unutilised Net Proceeds will be applied according to the purposes set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. The Directors considered that it would be in the best interest of the Group to deposit such funds temporarily in the bank accounts to earn interest income and are not aware of any material change to the proposed use of the proceeds as at the date of this announcement.

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 June 2024, the Group employed a total of 137 (2023: 136) employees and appointed 8 (2023: 8) Directors. During the reporting period, total staff costs, including Directors' emoluments, of the Group were approximately RMB7.0 million (2023: RMB6.6 million). The Group reviews the remuneration policies and packages on a regular basis and makes necessary adjustment commensurate with the remuneration level in the industry. In addition to a basic monthly salary, discretionary bonuses are offered to staff with outstanding performance. The Group also offers other employee benefits such as medical insurance and retirement benefits scheme.

## **SHARE OPTION SCHEME**

The Company adopted a share option scheme on 15 December 2017 (the “**Share Option Scheme**”) for the purpose of providing incentive or rewarding eligible persons (“**Eligible Persons**”). Eligible Persons include director, employee, agent, consultant, business partner, joint venture partner, supplier of goods or services or any director or employee of such supplier, customer or any director or employee of such customer, and person or entity that provides research, development or other technological support or any advisory, consultancy or professional services or any director or employee of such entity, who has contributed or will contribute to the Group on the basis of their contribution to the development and growth of the Group.

The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the Share Option Scheme (i.e. 14 December 2027).

No share options were granted under the Share Option Scheme since its adoption. 44,140,000 share options were available for grant at the beginning and the end of the period ended 30 June 2024.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of Shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Board has established the Group’s purpose, values and strategy, and satisfy itself that these and the Group’s culture are aligned. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instil such culture into the Company and continually reinforce across our Company’s values of acting lawfully, ethically and responsibly.

A healthy corporate culture set up by the Group, including integrity and accountability, is vital for the Company to achieve its vision and mission towards sustainable growth. It is the Board’s role to foster a corporate culture with core principles to guide the behaviours of its employees, and ensure that the Company’s vision, values and business strategies are aligned to it.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance throughout the six months ended 30 June 2024. The Company has complied with all applicable code provisions of the CG Code set out therein, except for CG Code provision C.2.1.

Pursuant to CG Code provision C.2.1, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The roles of the chairman and the chief executive officer (“**CEO**”) of the Company are not separated and are performed by the same individual. Mr. Liu Jia (“**Mr. Liu**”) has acted as both the chairman and the CEO since the Listing Date. Since Mr. Liu has a wealth of experience in real estate investment, operations and investment projects, taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors consider that Mr. Liu is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the Shareholders as a whole.

As the Board currently comprises two Executive Directors (including Mr. Liu), two Non-executive Directors and four Independent Non-executive Directors, therefore the Directors are of the view that there is a fairly strong independence element in its composition and an appropriate delegation of authorities to the management. The Board shall nevertheless review the arrangement from time to time to ensure that it is appropriate to the Group’s circumstances.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors’ securities transactions. Having made specific enquiries to the Directors, the Company has received confirmations from all Directors that they had complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2024.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of RMB0.78 cents (equivalent to HK0.85 cents) per ordinary share of the Company for the six months ended 30 June 2024 (2023: RMB1.06 cents (equivalent to HK1.16 cents)) to Shareholders whose names appear on the register of members of the Company on Thursday, 10 October 2024. The interim dividend will be paid on or around Friday, 25 October 2024.

The interim dividend will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars is the central parity rate of Hong Kong dollars to RMB as announced by the People's Bank of China on 26 August 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 7 October 2024 to Thursday, 10 October 2024 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all properly completed transfer documents and the relevant share certificates must be lodged 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 Friday, 4 October 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

As of 30 June 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

## **AUDIT COMMITTEE**

The audit committee of the Company together with the management has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the Group's unaudited financial results for the six months ended 30 June 2024.



## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.ebgca.com.hk](http://www.ebgca.com.hk). The interim report of the Company for the six months ended 30 June 2024 will be available on both websites and dispatched to the Shareholders who have already provided instructions indicating their preference to receive printed copies in due course.

By Order of the Board  
**Everbright Grand China Assets Limited**  
**LIU Jia**  
*Chairman*

Hong Kong, 27 August 2024

*As at the date of this announcement, the Board comprises Mr. Liu Jia and Mr. Ma Heming as executive directors; Mr. Zhuang Minrong and Ms. Yin Junyan as non-executive directors; and Mr. Tsoi David, Mr. Shek Lai Him Abraham, Mr. Lee Jor Hung and Mr. Wang Cheung Yue as independent non-executive directors.*