



2023 中期報告

INTERIM REPORT

Spirit of Enterprise

Credible and Committed
Optimistic and Progressive
Dedicated and United
Diligent and Devoted



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Corporate Profile

ADHERENT TO LOW-CARBON, GREEN AND SUSTAINABLE DEVELOPMENT, BUILDING A NATIONWIDE RETAIL CHAIN NETWORK WITH YANGTZE RIVER DELTA AS FOCUS AND EXPANDING TO MID-WEST REGION

Since the opening of the first store, Nanjing Xinjiekou Store, and after 28 years of dedicated operation, the Group has successfully opened 30 stores in the People's Republic of China ("PRC") with a total gross floor area of 2,429,827 square metres and a total counter area of 1,186,401 square metres as at 30 June 2023. These stores are located in 17 cities across four provinces of Jiangsu, Anhui, Shaanxi, and Yunnan, and the municipality of Shanghai, covering Shanghai, Nanjing, Suzhou, Nantong, Yangzhou, Xuzhou, Taizhou, Huai'an, Yancheng, Suqian, Danyang, Kunshan, Wuhu, Ma'anshan, Huaibei, Xi'an and Kunming.

Leveraging on its leading position and strong competitive advantages in Jiangsu Province, the Group will continue to reinforce its market leadership and presence in Jiangsu, Anhui, Shaanxi, Yunnan and Shanghai by developing comprehensive lifestyle centres which can enhance the Group's competitive strengths in the long run with substantial potential for its business growth. Meanwhile, the Group will progressively develop in those first and second-tier cities as well as explore third-tier cities with immense growth potential in order to achieve its goal of establishing a nationwide retail chain network. The Group will also actively fulfil its corporate social responsibilities by adopting a strategy of low-carbon development that features emission reduction, proceed with green renovation of its retail stores and the construction of new green commercial complexes, so as to achieve sustainable development and contribution to society.

CONTINUING TO ENHANCE ORGANIC GROWTH AND DEVELOPING COMPREHENSIVE LIFESTYLE CENTRES

Focusing on the growing demand of middle-class families and young customers for high-quality lifestyle, the Group has been steadily upgrading its existing merchandise portfolio. Meanwhile, capitalising on the mainstream customers' demand for consumption upgrades, the Group is developing itself into a professional retail operator which provides high-quality and comprehensive shopping experiences. The Group prioritises the development of retail business and product categories with immense growth and high gross margin that are able to enhance customers' shopping experiences and interaction with the stores. Therefore, the Group expands its retail business on lifestyle and amenities related to children's development, maternity and baby care, healthcare, household goods and cultural and creative activities, in order to build a comprehensive lifestyle centres that fulfill the needs for shopping, leisure and family gatherings. As at 30 June 2023, the Group was operating 15 comprehensive lifestyle centres with a total gross floor area of 1,897,656 square metres. The portion on lifestyle and amenities occupied 45.7% of the Group's total counter area. Following the launch of the Group's new flagship store, Nanjing Golden Eagle World Store, being the latest generation of comprehensive lifestyle centre, the Group further strengthens its core competitiveness through improving its services quality and enriching consumer experience with diverse contents.



Corporate Profile

EMPHASISING INCREMENTAL GROWTH DEVELOPMENT, CAPITALISING ON CONSUMPTION UPGRADE AND EMERGING INDUSTRIES OF HEALTH MAINTENANCE AND MEDICAL CARE, CHILDREN'S DEVELOPMENT, ART AND CULTURE, DEVELOPING ASSET-LIGHT BUSINESS MODEL AND INTELLIGENT CONSUMPTION SERVICE PLATFORM

By utilising its core resources such as new contents, new channels and new VIP members, the Group is determined to enhance its business capabilities with an asset-light business model, and for providing services to meet the needs for long-term development. By adopting its dual development strategy of self-operated stores and asset-light management output, the Group is committed to maintaining its flexibility for its sustainable development in the ever-changing and highly competitive operating environment: (i) New contents. The Group will continue to invest and develop new types of business content to align itself with the trend of consumption upgrades. The new types of business contents will have the characteristics of profitability, high level of transformation and customers stickiness. The contents of such businesses will also be innovated consistently and replicable; (ii) New channels. The Group will be able to develop new channels through the introduction of new types of business contents. By utilising those new channels, the Group can disseminate the new contents to other businesses beyond its existing business ecosystem, thus creating the driving force for development and growth for all those new channels and contents; (iii) New VIP members. Leveraging on various social media and new technologies, the Group will strengthen the integration and utilisation of its internal resources, and expedite collaboration with external shared platforms in order to continuously secure more VIP members from middle-class families and young consumer groups who value for personalised services.

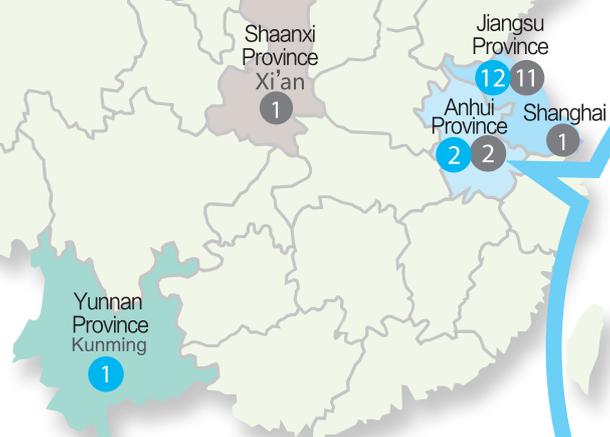
DEDICATED TO INTELLIGENT RETAIL UPGRADE TO PROVIDE VIPS WITH INNOVATIVE OMNI-CHANNEL SERVICES THAT MEET THE NEED OF CONSUMERS' DAILY LIFE AND ENHANCE THEIR SHOPPING EXPERIENCES

The Group has upgraded the online shopping experiences and enhanced the attractiveness of its offline sales channels and marketing activities to provide value-added VIP services in a more precise and comprehensive manner. Through the use of the mobile phone application "GE Life" (金鷹生活) (the "App"), WeChat and Weibo social network platforms and the "electronic VIP card", the Group integrates the App's online platform with its retail stores, 7-Eleven convenience stores, brand flagship stores and the upstream and downstream resources along the value chain of the retail industry. Leveraging on its quality and convenient comprehensive lifestyle services, the Group has successfully carried out online-and-offline two-way marketing. As at 30 June 2023, out of the Group's 3.5 million VIP customers, over 98% of them have connected their electronic VIP cards with the App. During the year under review, the aggregate spending by VIP customers accounted for 66.2% of the Group's total gross sales proceeds.

LOCALISE OPERATION STRATEGIES AND MANAGEMENT WITH INTERNATIONAL PERSPECTIVE

The Group appreciates the dedication and contribution of its staff and fosters their capabilities, competence and international perspective by conducting regular professional training sessions and overseas study trips for all levels of its human resources structure. The Group has also implemented localised management systems for each local market. For each of its stores, the Group recruits local talents to form a management team with local expertise and experiences that the Group can utilise in the respective markets. As at 30 June 2023, the Group had 2,015 employees.

Golden Eagle In China

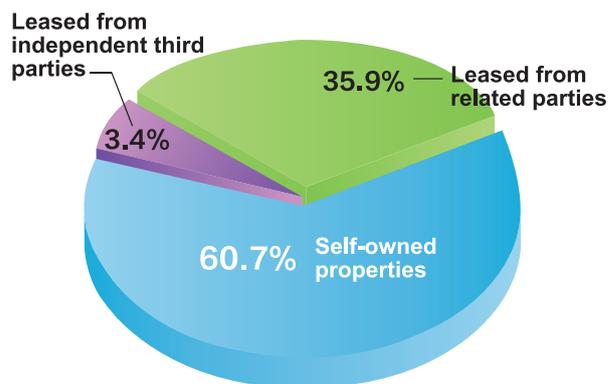


	No. of stores
● Lifestyle Centre	15
● Department Store	15
Total	30

Self-owned properties situated at prime shopping locations accounted for 60.7%* of total gross floor area

		Gross Floor Area (sq.m.)		
Store in operation		Self-owned	Leased	Sub-total
1	Nanjing Xinjiekou #	83,728	37,363	121,091
2	Nantong	9,297		9,297
3	Yangzhou	37,199	3,450 [^]	40,649
4	Xuzhou #	109,052	16,130 [^]	125,182
5	Xi'an Gaoxin	32,878		32,878
6	Taizhou	58,374		58,374
7	Kunming #	116,817		116,817
8	Nanjing Zhujiang Road		33,578	33,578
9	Huai'an	55,768		55,768
10	Yancheng #	88,165		88,165
11	Yangzhou Jinghua		29,598 [^]	29,598
12	Shanghai		35,163	35,163
13	Naning Hanzhong		12,462	12,462
14	Naning Hubin Tiandi #	148,361	47,495	195,856
15	Anhui Huaibei		34,714 [^]	34,714
16	Suqian	65,410		65,410
17	Xuzhou People's Square	37,457		37,457
18	Yancheng Outlet		18,354	18,354
19	Yancheng Julonghu #		110,848	110,848
20	Nantong Lifestyle #	62,634		62,634
21	Danyang #		51,755	51,755
22	Kunshan #	108,791		108,791

		Gross Floor Area (sq.m.)		
Store in operation		Self-owned	Leased	Sub-total
23	Nanjing Jiangning #		144,710	144,710
24	Anhui Ma'anshan #		128,439	128,439
25	Nantong Renmin Road	30,191		30,191
26	Anhui Wuhu Shopping	38,277		38,277
27	Anhui Wuhu New City #	81,397		81,397
28	Suzhou #	154,700		154,700
29	Golden Eagle World #		251,019	251,019
30	Yangzhou New City Centre #	156,253		156,253
Total				2,429,827 ^{&}



* As a percentage of total gross floor area (sq.m.) as at 30 June 2023

Positioned as lifestyle centre

& Excludes Liyang Store, Jiahong Supermarket, Changzhou and Yancheng Aquariums and 7-Eleven convenience stores with a total gross floor area of 89,338 sq.m. and Street Shops and Jinqiao Market Managed Area with a total gross floor area of 287,944 sq.m., i.e. of 377,282 sq.m. in aggregate

[^] Leased from independent third parties



Corporate Information

EXECUTIVE DIRECTORS

Mr. Wang Hung, Roger
Mr. Tan Jianlin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Keung
Mr. Lay Danny J
Mr. Lo Ching Yan

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1 -1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

17th Floor, Block A, Golden Eagle World
No. 888 Yingtian Street, Jianye District
Nanjing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1206, 12th Floor, Tower 2, Lippo Centre
89 Queensway
Hong Kong

WEBSITE

<http://www.geretail.com>

COMPANY SECRETARY

Ms. Tai Ping, Patricia FCPA, FCPA (Aust)

AUTHORISED REPRESENTATIVES

Mr. Wang Hung, Roger
Ms. Tai Ping, Patricia FCPA, FCPA (Aust)

AUDIT COMMITTEE

Mr. Wong Chi Keung (*Chairman*)
Mr. Lay Danny J
Mr. Lo Ching Yan

REMUNERATION COMMITTEE

Mr. Lay Danny J (*Chairman*)
Mr. Wang Hung, Roger
Mr. Wong Chi Keung

NOMINATION COMMITTEE

Mr. Wang Hung, Roger (*Chairman*)
Mr. Wong Chi Keung
Mr. Lay Danny J

STOCK CODE

3308

PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China
Bank of China
Bank of Communications
Bank of Jiangsu
Bank of Nanjing
China Construction Bank
China Merchants Bank
China Minsheng Bank
Industrial and Commercial Bank of China
Industrial Bank
Shanghai Pudong Development Bank

PRINCIPAL BANKERS IN HONG KONG

Bank of China
Bank of Jiangsu
Bank of Shanghai
China CITIC Bank International
China Construction Bank
China Everbright Bank
China Merchants Bank
China Minsheng Bank
East West Bank
Hang Seng Bank
Hongkong and Shanghai Banking Corporation
Industrial Bank
Luso International Bank
Shanghai Pudong Development Bank
Taipei Fubon Commercial Bank
The Bank of East Asia

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35th Floor, One Pacific Place
88 Queensway, Hong Kong

HONG KONG LEGAL ADVISORS

Raymond Siu & Lawyers
Units 1302-3 & 1802, Ruttonjee House
11 Duddell Street
Central, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

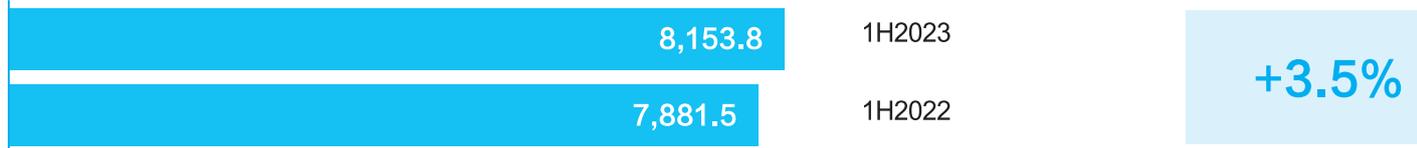
HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

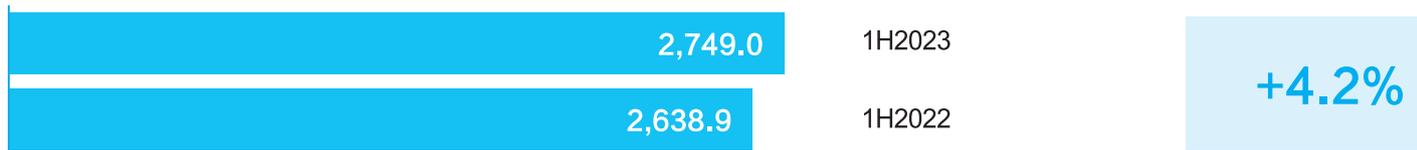


Financial Highlights

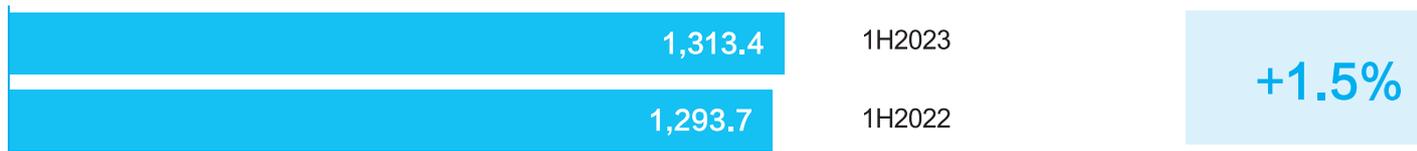
Gross Sales Proceeds (RMB Million)



Revenue from Retail Operations (RMB Million)⁽¹⁾



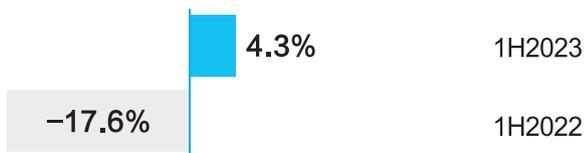
Retail Profit from Operations before Depreciation and Amortisation (RMB Million)



Profit Attributable to Owners of the Company (RMB Million)



Same-Store Sales⁽²⁾



(1) Being the Group's total revenue excluding revenue generated from property sales and hotel operations for simple reconciliation purpose.

(2) Same-store sales represents change in total gross sales proceeds of retail chain stores which were in operation throughout the comparable period.



Enriching life with styles!





Interim Results and Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

The board (the "Board") of directors (the "Directors") of Golden Eagle Retail Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2023 ("1H2023"), together with unaudited comparative figures for the corresponding period in 2022 ("1H2022"). The unaudited condensed consolidated interim results have not been audited, but have been reviewed by the auditor, Messrs. Deloitte Touche Tohmatsu, and the audit committee of the Company (the "Audit Committee").

	NOTES	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	3	2,786,882	2,786,224
Other income, gains and losses	5	261,959	138,934
Changes in inventories of merchandise		(1,139,887)	(1,042,890)
Cost of properties sold		(25,316)	(99,252)
Employee benefits expense		(156,802)	(162,955)
Depreciation and amortisation of property, plant and equipment and intangible asset		(189,981)	(191,733)
Depreciation of right-of-use assets		(49,429)	(37,642)
Rental expenses		(203,001)	(197,291)
Other expenses		(315,509)	(316,158)
Share of results of associates		5,199	6,726
Share of results of joint ventures		(170)	(198)
Finance income	6	130,728	56,351
Finance costs	7	(241,714)	(149,879)
Profit before tax		862,959	790,237
Income tax expense	8	(285,272)	(319,971)
Profit for the period	9	577,687	470,266
Profit (loss) for the period attributable to:			
Owners of the Company		577,735	460,816
Non-controlling interests		(48)	9,450
		577,687	470,266
Earnings per share			
– Basic (RMB per share)	11	0.348	0.278



Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Profit for the period	<u>577,687</u>	<u>470,266</u>
Other comprehensive income (expense):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Share of exchange difference of associates	<u>2,860</u>	<u>(3,341)</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income	<u>2,339</u>	<u>(3,925)</u>
Income tax expense relating to item that will not be reclassified to profit or loss	<u>67</u>	<u>761</u>
	<u>2,406</u>	<u>(3,164)</u>
Other comprehensive income (expense) for the period, net of income tax	<u>5,266</u>	<u>(6,505)</u>
Total comprehensive income for the period	<u>582,953</u>	<u>463,761</u>
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	<u>583,001</u>	454,311
Non-controlling interests	<u>(48)</u>	<u>9,450</u>
	<u>582,953</u>	<u>463,761</u>



Condensed Consolidated Statement of Financial Position

At 30 June 2023

	NOTES	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	12	7,864,702	8,016,284
Right-of-use assets		2,244,378	2,411,704
Investment properties	12	2,436,000	2,472,670
Intangible asset		9,589	9,922
Goodwill		17,664	17,664
Interests in associates		175,204	167,145
Interests in joint ventures		13,481	13,651
Other receivables	13	63,101	61,290
Amount due from an associate		4,500	-
Equity instruments at fair value through other comprehensive income ("FVTOCI")	14	62,285	63,566
Financial assets at fair value through profit or loss ("FVTPL")	14	184,193	210,473
Deferred tax assets		36,032	35,809
		13,111,129	13,480,178
Current assets			
Inventories		362,733	436,878
Properties under development for sale		1,187,138	1,582,768
Completed properties for sale		1,035,846	622,588
Trade and other receivables	13	787,905	1,349,455
Amounts due from fellow subsidiaries	15	57,319	58,761
Tax assets		43,698	42,455
Financial assets at FVTPL	14	1,590,495	189,017
Restricted/pledged bank balances		82,447	75,177
Cash and cash equivalents		6,705,066	7,814,741
		11,852,647	12,171,840



Condensed Consolidated Statement of Financial Position

At 30 June 2023

	NOTES	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Current liabilities			
Trade and other payables	16	3,365,186	3,271,187
Amounts due to fellow subsidiaries	17	193,338	135,206
Lease liabilities		29,695	27,477
Tax liabilities		537,580	554,844
Prepayments from customers		3,491,199	3,608,112
Contract liabilities	18	280,523	236,557
Bank loans	19	4,836,561	281,203
Senior notes	20	-	2,634,667
		12,734,082	10,749,253
Net current (liabilities) assets		(881,435)	1,422,587
Total assets less current liabilities		12,229,694	14,902,765
Non-current liabilities			
Bank loans	19	780,000	3,945,813
Other payables	16	117,165	105,062
Lease liabilities		384,364	510,123
Deferred tax liabilities		981,826	958,381
		2,263,355	5,519,379
Net assets		9,966,339	9,383,386
Capital and reserves			
Share capital	21	175,146	175,146
Reserves		9,688,452	9,105,451
Equity attributable to owners of the Company		9,863,598	9,280,597
Non-controlling interests		102,741	102,789
Total equity		9,966,339	9,383,386



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company								Attributable to non-controlling interests	Total	
	Share capital	Capital redemption reserve	Special reserve	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Statutory surplus reserve	Retained profits			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	Sub-total RMB'000	RMB'000	
At 1 January 2023 (audited)	175,146	29,378	217,228	269,676	(92,218)	20	1,358,320	7,323,047	9,280,597	102,789	9,383,386
Profit (loss) for the period	-	-	-	-	-	-	-	577,735	577,735	(48)	577,687
Other comprehensive income for the period	-	-	-	-	2,406	2,860	-	-	5,266	-	5,266
Total comprehensive income (expense) for the period	-	-	-	-	2,406	2,860	-	577,735	583,001	(48)	582,953
Equity instruments of fair value transferred to retained profits upon disposal	-	-	-	-	6,184	-	-	(6,184)	-	-	-
Appropriation	-	-	-	-	-	-	5,282	(5,282)	-	-	-
At 30 June 2023 (unaudited)	<u>175,146</u>	<u>29,378</u>	<u>217,228</u>	<u>269,676</u>	<u>(83,628)</u>	<u>2,880</u>	<u>1,363,602</u>	<u>7,889,316</u>	<u>9,863,598</u>	<u>102,741</u>	<u>9,966,339</u>
At 1 January 2022 (audited)	175,146	29,378	217,228	269,676	(91,712)	814	1,313,058	6,634,571	8,548,159	88,389	8,636,548
Profit for the period	-	-	-	-	-	-	-	460,816	460,816	9,450	470,266
Other comprehensive expense for the period	-	-	-	-	(3,164)	(3,341)	-	-	(6,505)	-	(6,505)
Total comprehensive (expense) income for the period	-	-	-	-	(3,164)	(3,341)	-	460,816	454,311	9,450	463,761
Equity instruments of fair value transferred to retained profits upon disposal	-	-	-	-	3,583	-	-	(3,583)	-	-	-
At 30 June 2022 (unaudited)	<u>175,146</u>	<u>29,378</u>	<u>217,228</u>	<u>269,676</u>	<u>(91,293)</u>	<u>(2,527)</u>	<u>1,313,058</u>	<u>7,091,804</u>	<u>9,002,470</u>	<u>97,839</u>	<u>9,100,309</u>



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Net cash generated from operating activities	<u>1,300,241</u>	<u>552,951</u>
Investing activities:		
Investments in structured bank deposits	(3,060,000)	(7,210,110)
Redemption of structured bank deposits	1,564,059	6,746,818
Placement of restricted/pledged bank balances	(345,686)	(34,605)
Withdrawal of restricted/pledged bank balances	338,416	26,121
Purchase of:		
– financial assets at FVTPL	(193,883)	(329,188)
– equity instruments at FVTOCI	(821)	(123,803)
Proceeds from disposal of:		
– financial assets at FVTPL	305,431	327,277
– equity instruments at FVTOCI	4,441	5,861
Dividends received from equity investments	60	1,828
Dividends received from unquoted fund investment	8,486	–
Partial return of unquoted fund investment	25,538	–
Purchase of credit from a third party	(121,703)	–
Purchase of property, plant and equipment	(54,859)	(116,682)
Proceeds from disposal of property, plant and equipment	9	220
Proceeds from disposal of a joint venture	–	1,260
Proceeds from disposal of investment properties	12,621	6,978
Interest received on bank deposits	125,219	44,711
Interest received on loans to third parties	16,737	5,307
Loan to a third party	–	(150,000)
Loan to an associate	(4,500)	–
Repayment of loans to third parties	650,000	–
Payments of rental deposits	–	(20)
Refund of rental deposits	211	147
Net cash used in investing activities	<u>(730,224)</u>	<u>(797,880)</u>



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Financing activities:		
New bank loans raised	1,508,000	-
Repayment of senior notes	(2,662,975)	-
Repayment of bank loans	(297,000)	-
Interest paid	(217,173)	(111,389)
Repayments of leases liabilities	(10,544)	(8,083)
Net cash used in financing activities	<u>(1,679,692)</u>	<u>(119,472)</u>
Net decrease in cash and cash equivalents	(1,109,675)	(364,401)
Cash and cash equivalents at beginning of the period	<u>7,814,741</u>	<u>7,651,382</u>
Cash and cash equivalents at end of the period, represented by		
Cash and cash equivalents	<u><u>6,705,066</u></u>	<u><u>7,286,981</u></u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

1. GENERAL AND BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Golden Eagle Retail Group Limited is a public limited company incorporated in the Cayman Islands under the Companies Act of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the Directors, the Company's ultimate holding company is GEICO Holdings Limited ("GEICO"), a company incorporated in the British Virgin Islands, which is in turn wholly-owned by The 2004 RVJD Family Trust ("Family Trust"), the family trust of Mr. Wang Hung, Roger ("Mr. Wang").

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the lifestyle centre and stylish department store chain development and operation, property development and hotel operation in the People's Republic of China (the "PRC").

The Group's condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

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/change in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the new and amendments to HKFRSs 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. REVENUE

An analysis of the Group's revenue for the six months ended 30 June 2023 is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Commission income from concessionaire sales	903,683	891,781
Direct sales	1,303,147	1,208,954
Sales of properties	26,815	138,421
Management fees	14,151	19,308
Hotel operations	11,067	8,950
	<hr/>	<hr/>
Revenue from contracts with customers	2,258,863	2,267,414
Rental income	528,019	518,810
	<hr/>	<hr/>
Total revenue	<u>2,786,882</u>	<u>2,786,224</u>
Timing of revenue recognition under HKFRS 15		
<i>Revenue from Contracts with Customers</i>		
A point in time	2,233,645	2,239,156
Over time	25,218	28,258
	<hr/>	<hr/>
Total	<u>2,258,863</u>	<u>2,267,414</u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

3. REVENUE (Continued)

Gross sales proceeds represent the gross amount, including the related value-added tax and sales taxes, charged to/received from customers.

Gross sales proceeds

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Concessionaire sales	6,067,647	5,797,334
Direct sales	1,472,816	1,365,668
Sales of properties	26,350	137,996
Management fees	15,081	20,552
Hotel operations	11,756	9,510
Gross sales proceeds from contracts with customers	7,593,650	7,331,060
Rental income	560,122	550,471
Total gross sales proceeds	8,153,772	7,881,531

4. SEGMENT INFORMATION

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive Directors and chief executive officer, being the chief operating decision makers (the "CODM"), in order to allocate resources to the segments and to assess their performance.

The Group's operating and reportable segments are as follows:

- Retail operations consists of:
 - Southern Jiangsu Province, including retail stores at Nanjing, Suzhou, Danyang and Kunshan
 - Northern Jiangsu Province, including retail stores at Nantong, Yangzhou, Xuzhou, Taizhou, Huai'an, Yancheng and Suqian
 - Western and the other regions of the PRC, including retail stores at Xi'an, Kunming, Shanghai, Huaibei, Ma'anshan and Wuhu
- Property development and hotel operations
- Other operations represent the total of other operating segments that are individually not reportable

No segment information by geographical area in respect of the Group's property development and hotel operations is reviewed by the CODM as these operations are all carried out in the cities of Wuhu, Nantong, Yangzhou, Lianyungang and Changchun.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

4. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Retail operations			Subtotal	Property development and hotel operations	Other operations	Total
	Southern Jiangsu Province	Northern Jiangsu Province	Western and the other regions of the PRC				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>For the six months ended 30 June 2023</i>							
Gross sales proceeds	<u>3,106,504</u>	<u>4,212,327</u>	<u>770,199</u>	<u>8,089,030</u>	<u>56,146</u>	<u>8,596</u>	<u>8,153,772</u>
Segment revenue	<u>1,363,979</u>	<u>1,133,213</u>	<u>225,432</u>	<u>2,722,624</u>	<u>54,964</u>	<u>9,294</u>	<u>2,786,882</u>
Segment results	<u>501,192</u>	<u>546,697</u>	<u>79,339</u>	<u>1,127,228</u>	<u>4,665</u>	<u>(5,279)</u>	1,126,614
Central administration costs and Directors' salaries							(40,877)
Other gains and losses							(116,821)
Share of results of associates							5,199
Share of results of joint ventures							(170)
Finance income							130,728
Finance costs							(241,714)
Profit before tax							862,959
Income tax expense							(285,272)
Profit for the period							<u>577,687</u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

4. SEGMENT INFORMATION (Continued)

	Retail operations			Subtotal	Property development and hotel operations	Other operations	Total
	Southern Jiangsu Province	Northern Jiangsu Province	Western and the other regions of the PRC				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>For the six months ended 30 June 2022</i>							
Gross sales proceeds	<u>2,870,043</u>	<u>4,069,394</u>	<u>760,077</u>	<u>7,699,514</u>	<u>165,414</u>	<u>16,603</u>	<u>7,881,531</u>
Segment revenue	<u>1,254,394</u>	<u>1,117,979</u>	<u>231,962</u>	<u>2,604,335</u>	<u>164,439</u>	<u>17,450</u>	<u>2,786,224</u>
Segment results	<u>465,877</u>	<u>566,432</u>	<u>84,958</u>	<u>1,117,267</u>	<u>35,889</u>	<u>(14,996)</u>	<u>1,138,160</u>
Central administration costs and							
Directors' salaries							(30,933)
Other gains and losses							(229,990)
Share of results of associates							6,726
Share of results of joint ventures							(198)
Finance income							56,351
Finance costs							<u>(149,879)</u>
Profit before tax							790,237
Income tax expense							<u>(319,971)</u>
Profit for the period							<u>470,266</u>

Segment information reported to CODM for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Other income		
Income from suppliers, tenants and customers	365,745	362,326
Government grants	5,298	2,108
Others	7,737	4,490
	<u>378,780</u>	<u>368,924</u>
Other gains and losses		
Net foreign exchange loss	(122,448)	(312,026)
Dividend income from equity investments	60	1,828
Dividend income from unquoted fund investment	8,486	-
Investment income from structured bank deposits	4,059	51,027
Fair value change of investment properties	(24,391)	(4,343)
Fair value change of equity investments at FVTPL	13,026	3,333
Fair value change of unquoted fund investment	(742)	29,386
Gain on disposal of a joint venture	41	805
Others (Note)	5,088	-
	<u>(116,821)</u>	<u>(229,990)</u>
	<u><u>261,959</u></u>	<u><u>138,934</u></u>

Note: Of the amount, included RMB6.5 million accrual relating to a litigation of the Group. In September 2021, Golden Eagle International Retail Group (China) Co., Ltd., an indirect wholly-owned subsidiary of the Company, became the defendant in a litigation initiated in Anhui Province, the PRC in relation to the lease of a commercial property for retail operation. The plaintiff claims the underpayment of rental expenses amounting to RMB100.0 million plus interest accrued. In May 2022, Hefei Intermediate People's Court ruled that the Group should be liable for payment in an aggregate amount of approximately RMB203.1 million for the underpayment of rental expenses and the relevant interest accrued thereon (the "Ruling"). The Group has filed an appeal against the Ruling in 2022 and enforcement of the Ruling has been suspended since then. In August 2023, the appeal hearing in the Higher People's Court of Anhui Province, the PRC resumed. During the period under review, the Group has made an additional accrual in the amount of RMB6.5 million for this litigation. The Group, after seeking independent legal advice, considers it has made sufficient provision as at 30 June 2023.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

6. FINANCE INCOME

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest income from bank deposits	125,219	44,711
Interest income from loans to third parties	3,883	10,083
Interest income from refundable rental deposits paid	1,626	1,557
	<u>130,728</u>	<u>56,351</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest expenses on:		
Bank loans	182,914	85,527
Senior notes	44,689	58,507
Proceeds from pre-sale of properties	6,721	4,881
Refundable rental deposits received	4,394	3,107
Lease liabilities	11,117	2,738
	<u>249,835</u>	<u>154,760</u>
Less: amounts capitalised in the cost of qualifying assets		
Properties under development for sale	(8,121)	(4,881)
	<u>241,714</u>	<u>149,879</u>

Finance costs capitalised during the six months ended 30 June 2023 are calculated by applying a weighted average capitalisation rate of 6.8% (six months ended 30 June 2022: 4.5%) per annum.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current period	260,507	270,905
Land Appreciation Tax ("LAT")	2,306	7,088
Under provision in prior periods	1,246	764
	264,059	278,757
Deferred tax charge:		
Current period	21,213	41,214
	285,272	319,971

Hong Kong Profits Tax has not been provided as the Group had no assessable profit which arose in nor derived from Hong Kong during both periods.

Except as described below, subsidiaries of the Company located in the PRC are subject to PRC EIT rate of 25% (six months ended 30 June 2022: 25%) pursuant to the relevant PRC EIT laws. On 2 December 2020, Nanjing Golden Eagle Information Service Co., Ltd. was qualified as a High and New Technology Enterprise under the relevant PRC tax laws and regulations. Accordingly, the entity is entitled to a preferential income tax rate of 15% from 2020 to 2023. Kunming Golden Eagle Shopping Centre Co., Ltd. and Xi'an Golden Eagle International Shopping Centre Co., Ltd. are entitled to a preferential income tax rate of 15% because of their locations in western part of the PRC.

During the interim period, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects, and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated. The EIT and LAT liabilities are recorded in the "tax liabilities" line item of the condensed consolidated financial statements.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

- Depreciation and amortisation of property, plant and equipment and intangible asset
- Depreciation of right-of-use assets
- Loss on disposal of property, plant and equipment
- COVID-19-related rent concessions

Six months ended 30 June

2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
189,981	191,733
49,429	37,642
1,105	2,520
-	(1,276)

10. DIVIDEND

Subsequent to the end of the interim period, the Directors have resolved not to declare any interim dividend for the six months ended 30 June 2023.

11. EARNINGS PER SHARE

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

Earnings

Earnings for the purpose of basic earnings per share
(profit for the period attributable to owners of the Company)

Six months ended 30 June

2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
577,735	460,816

Number of shares

Weighted average number of ordinary shares
for the purpose of basic earnings per share

Six months ended 30 June

2023 '000	2022 '000
1,660,205	1,660,205



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

12. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the current interim period, additions to property, plant and equipment amounted to RMB16,748,000 (unaudited) (six months ended 30 June 2022: RMB7,837,000 (unaudited)) were recorded for construction and renovation of the Group's new stores and amounted to RMB22,774,000 (unaudited) (six months ended 30 June 2022: RMB33,207,000 (unaudited)) were recorded for construction, renovation and expansion of the Group's existing stores in order to expand and/or upgrade its operating capabilities.

The fair value of the Group's investment properties at the end of the current interim period has been valued by the Directors. The resulting decrease in fair value of investment properties amounted to RMB24,391,000 (unaudited) (six months ended 30 June 2022: 4,343,000 (unaudited)) has been recognised directly in profit or loss for the six months ended 30 June 2023.

13. TRADE AND OTHER RECEIVABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Trade receivables	42,989	77,266
Advances to suppliers	78,844	88,949
Rental deposits	63,270	61,913
Other deposits	19,309	18,933
Other taxes recoverable	74,395	85,889
Loans to third parties	316,814	847,388
Other receivables and prepayments	255,385	230,407
	<u>851,006</u>	<u>1,410,745</u>
Presented as:		
Non-current assets	63,101	61,290
Current assets	787,905	1,349,455
	<u>851,006</u>	<u>1,410,745</u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

13. TRADE AND OTHER RECEIVABLES (Continued)

For operations other than property development, the Group's trade customers mainly settled their debts by cash payments, either in the form of cash or debit cards, or by credit card payments. The Group currently does not have a defined fixed credit policy as its trade receivables mainly arise from credit card sales which are normally settled within 15 days. There is no trade receivable from property development operations at the end of the reporting periods.

Trade receivables for retail operations amounted to RMB39,618,000 (unaudited) (31 December 2022: RMB70,520,000 (audited)) were aged within 15 days and the remaining trade receivables were aged within 90 days based on the invoice date at the respective reporting dates.

As at 30 June 2023, rental deposits amounted to RMB106,000,000 (unaudited) (31 December 2022: RMB106,000,000 (audited)) were paid to fellow subsidiaries of the Group.

14. EQUITY INSTRUMENTS AT FVTOCI/FINANCIAL ASSETS AT FVTPL

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Equity instruments at FVTOCI		
Listed equity investments	62,285	63,566
Financial assets at FVTPL		
Non-current		
Unquoted fund investment	184,193	210,473
Current		
Structured bank deposits	1,500,000	-
Listed equity investments	90,495	189,017
	1,590,495	189,017



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

15. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
昆山金鷹信息科技發展有限公司 (Kunshan Golden Eagle Information Technology Development Co., Ltd.)	19,551	16,113
南京金鷹國際實業有限公司 (Nanjing Golden Eagle International Industry Co., Ltd.)	11,489	11,489
南京建邺金鷹科技發展有限公司 (Nanjing Jianye Golden Eagle Technology Development Co., Ltd.)	-	9,513
南京金鷹國際集團有限公司 (Nanjing Golden Eagle International Group Co., Ltd.)	7,347	7,285
南京金鷹國際物業發展有限公司 (Nanjing Golden Eagle International Properties Development Co., Ltd.)	2,909	3,094
上海金鷹天地實業有限公司 (Shanghai Golden Eagle Tiandi Industry Co., Ltd.)	5,356	-
Others	10,667	11,267
	<u>57,319</u>	<u>58,761</u>

The amount due from Nanjing Golden Eagle International Group Co., Ltd. is mainly related to payments made for acquisition and construction of property, plant and equipment. The remaining amounts represent prepayments made for the Group's operations. All amounts are unsecured, interest free and repayable on demand.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

16. TRADE AND OTHER PAYABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Trade payables	1,642,273	1,565,825
Payables for purchase of property, plant and equipment	381,586	401,283
Rental deposits	270,507	272,336
Suppliers' deposits	177,351	181,707
Accrued expenses	174,782	155,973
Accrued salaries and welfare expenses	30,825	37,623
Advance lease payments	18,796	14,980
Interest payable	-	14,729
Other taxes payable	59,914	46,229
Other payables	726,317	685,564
	<u>3,482,351</u>	<u>3,376,249</u>
Presented as:		
Non-current liabilities	117,165	105,062
Current liabilities	<u>3,365,186</u>	<u>3,271,187</u>
	<u>3,482,351</u>	<u>3,376,249</u>

The credit period on purchases of goods is ranging from 30 to 60 days. The following is an aged analysis of the Group's trade payables presented based on the invoice date at the reporting date:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
0 to 30 days	1,131,782	1,070,634
31 to 60 days	136,264	127,286
61 to 90 days	56,584	38,050
Over 90 days	317,643	329,855
	<u>1,642,273</u>	<u>1,565,825</u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

17. AMOUNTS DUE TO FELLOW SUBSIDIARIES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
南京金鷹國際集團有限公司 (Nanjing Golden Eagle International Group Co., Ltd.)	60,026	56,559
昆山金鷹信息科技發展有限公司 (Kunshan Golden Eagle Information Technology Development Co., Ltd.)	60,555	56,287
南京金鷹工程建設有限公司 (Nanjing Golden Eagle Construction Work Co., Ltd.)	13,774	14,101
南京金鷹國際物業發展有限公司 (Nanjing Golden Eagle International Properties Development Co., Ltd.)	8,686	1,233
馬鞍山金鷹天地實業有限公司 (Ma'anshan Golden Eagle Tiandi Industry Co., Ltd.)	7,722	204
南京建邺金鷹科技發展有限公司 (Nanjing Jianye Golden Eagle Technology Development Co., Ltd.)	9,748	202
南京金鷹國際物業集團有限公司 (Nanjing Golden Eagle International Properties Group Co., Ltd.)	5,233	137
鹽城金鷹科技實業有限公司 (Yancheng Golden Eagle Technology Industry Co., Ltd.)	5,207	92
南京江寧金鷹科技實業有限公司 (Nanjing Jiangning Golden Eagle Technology Industry Co., Ltd.)	8,536	-
Others	13,851	6,391
	<u>193,338</u>	<u>135,206</u>

The amounts due to Nanjing Golden Eagle International Group Co., Ltd., Kunshan Golden Eagle Information Technology Development Co., Ltd. and Nanjing Golden Eagle Construction Work Co., Ltd. are mainly related to the acquisition and construction of property, plant and equipment. The remaining amounts represent trade payables to fellow subsidiaries which aged within 90 days. All amounts are unsecured, interest free and repayable on demand.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

18. CONTRACT LIABILITIES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Deposits and prepayments received from pre-sale of properties	252,350	220,535
Deferred revenue arising from the Group's customer loyalty programme	28,173	16,022
	<u>280,523</u>	<u>236,557</u>

19. BANK LOANS

During the current interim period, the Group raised short-term revolving bank loans and a three-year term loan in an aggregate principal amount of RMB1,508.0 million (six months ended 30 June 2022: nil) which carry variable interest ranging from 2.7% to 4.2% per annum and are repayable within one to three years.

The dual currency three-year secured syndicated loan, denominated in United States dollar ("USD") and Hong Kong dollar ("HK\$"), amounted to USD420.0 million and HK\$1,408.0 million, raised by the Group in April 2021 will be due for full repayment in April 2024, and therefore the loan has been reclassified under current liabilities as at 30 June 2023.

20. SENIOR NOTES

The senior notes denominated in USD in the aggregate outstanding principal amount of USD378.5 million, raised by the Group in May 2013, were fully redeemed in May 2023.

21. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2022 (audited), 30 June 2022 (unaudited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	<u>1,660,205,000</u>	<u>166,021</u>
		RMB'000
Shown in the condensed consolidated statement of financial position:		
At 31 December 2022 (audited) and 30 June 2023 (unaudited)		<u>175,146</u>



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)		
Listed equity securities at FVTOCI	62,285	63,566	Level 1	Quoted bid prices in active markets
Listed equity securities at FVTPL	90,495	189,017	Level 1	Quoted bid prices in active markets
Structured bank deposits	1,500,000	-	Level 2	Discounted cash flow – future cash flows are estimated based on expected applicable yield of the underlying investment portfolio and adjustments of related expenses, discounted at a rate that reflects the credit risk of various counterparties.
Unquoted fund investment at FVTPL	184,193	210,473	Level 3	Based on net asset value of the corresponding funds

There were no transfers of fair value hierarchy between Level 1, 2 and 3 during both periods. The Group's unquoted fund investment was measured at fair value at each reporting date using a valuation technique with significant unobservable inputs due to no recently quoted price for reference, and hence was classified at Level 3 of the fair value hierarchy.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 fair value measurements of financial assets

	RMB'000
At 1 January 2022 (audited)	204,513
Net fair value change	<u>29,386</u>
At 30 June 2022 (unaudited)	<u>233,899</u>
At 1 January 2023 (audited)	210,473
Net fair value change	(742)
Partial return of investment	<u>(25,538)</u>
At 30 June 2023 (unaudited)	<u>184,193</u>

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

At the end of the reporting period, the Directors consider that the carrying amounts of financial assets and financial liabilities which are carried at amortised cost in the condensed consolidated financial statements approximate their fair values.

23. CAPITAL COMMITMENTS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<u>36,549</u>	<u>43,584</u>
Other commitments in respect of construction of properties under development for sale (Note)	<u>1,386,450</u>	<u>1,411,761</u>

Note: Included in the balance is RMB27,793,000 (unaudited) (31 December 2022: RMB27,433,000 (audited)) capital expenditure contracted for with fellow subsidiaries of the Group.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

24. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged its equity interests of certain subsidiaries and created fixed and floating charges over the assets of these subsidiaries to secure the syndicated loan facilities granted to the Group. Assets with the following carrying amounts have been pledged to secure the syndicated loan and other banking facilities granted to the Group:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Property, plant and equipment	143,645	-
Right-of-use assets	29,070	-
Equity instruments at FVTOCI	59,000	56,497
Financial assets at FVTPL	10,954	100,270
Restricted/pledged bank balances	79,400	67,800
Cash and cash equivalents	273,747	307,168
	<u>595,816</u>	<u>531,735</u>

25. FINANCIAL GUARANTEE

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Financial guarantee in respect of mortgage loan facilities for certain purchasers	125,343	106,988

The Group cooperates with certain financial institutions which arrange mortgage loan facilities for its property purchasers and provides guarantees to secure repayment obligations of such purchasers. Such guarantees will be released by banks upon the issuance of the relevant real estate ownership certificate to the purchasers or upon the full repayment of mortgage loans by the property purchasers, whichever is the earlier. In the opinion of the Directors, the fair value of the financial guarantee contracts is insignificant.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

26. RELATED PARTY TRANSACTIONS

During the interim period, other than those disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related companies:

a) Transactions

Relationship with related companies	Nature of transactions	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Fellow subsidiaries	Property rentals paid	179,464	177,134
	Property management fee paid	57,561	63,643
	Carpark management service fee paid	2,700	2,944
	Decoration service fee paid	-	4,006
	Management fee received	14,264	15,018
	Carpark rental income received	7,553	8,223
	Sales of retail merchandise	225	763
		<u>225</u>	<u>763</u>

b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Salaries and other benefits	2,183	2,507
Retirement benefits schemes contributions	175	130
	<u>2,358</u>	<u>2,637</u>



Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF GOLDEN EAGLE RETAIL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Golden Eagle Retail Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 8 to 33, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
16 August 2023



Management Discussion and Analysis

BUSINESS REVIEW

Retail Industry Overview

In the first half of 2023, against the backdrop of insufficient growth momentum in the world economy and the slowdown in global trade growth, China's economy showed moderate momentum of recovery. Since the beginning of this year, national and local governments have launched a series of measures to stimulate consumption. Driven by market demand and policies, business recovery has been accelerated, and the recovery trend is clear. China's gross domestic product ("GDP") in the first half of 2023 was RMB59.3 trillion, representing a year-on-year ("YOY") increase of 5.5%. In the first half of the year, the total retail sales of consumer goods in China amounted to RMB22.8 trillion, representing a YOY increase of 8.2%. The role of consumption in stimulating the economy has significantly increased. After the pandemic, retail market gradually recovered, and the positive factors supporting consumption growth continued to increase. However, there are still uncertainties in the overall development of the industry. Due to the fluctuations in the base number caused by volatile pandemic situation last year, and the concentrated release of consumer demand at the beginning of this year, consumption growth slowed down slightly in the second quarter. Consumers remain cautious on spending and are more value-for-money given the expected unstable employment and income conditions, coupled with various factors such as intensified regional competition, the brick-and-mortar retail industry still faces huge challenges.

The three-year pandemic has reshaped business fundamentals in China, and the retail industry is facing cyclical changes. With the return of customer traffic, how can we embrace the new consumption momentum in the midst of major business changes? The change in consumption trend not only brings brand iteration, but also a change in operation strategy. From the initial recovery to recovery in full swing, the brick-and-mortars have entered into a new track. Although national spending power and willingness were restrained to a certain extent in the first half of the year, consumption options with great value, emotional comfort, and relevance were popular. Huge hits such as Zibo barbecue (淄博烧烤), Village Super League (村超) in Rongjiang county of Guizhou Province, and Village Basketball Association (村BA) successively emerged in various cities across the country. Diversified new consumption scenarios and patterns are constantly emerging, stimulating new consumer demand. The brick-and-mortars are experiencing all kinds of possibilities with tenacity, and the Chinese consumer market with strong development potential is still expected to expand throughout the year.

Operation Management and Corporate Development

With the economic stabilisation and consumption recovery in the first half of 2023, the Group seized the opportunities from the momentum of economic recovery, continuously strengthened its operational capabilities, revitalised existing assets, optimised its organisational structure, reduced costs and improved efficiency. By innovating business ideas, optimising the merchandise portfolio, refreshing retail environment, etc., the Group created unique business IPs. By strengthening the collaborations with government and platform resources, the Group successfully captured different groups of consumers through diversified and innovative marketing campaigns and continuously enhanced the entertainment and social experience and interesting level of membership services, providing warmer and more efficient new shopping experiences that drive sales conversion.



Management Discussion and Analysis

With the concerted efforts of the Group and its staff, the Group's customer traffic in the first half of the year reached 98.5 million visits⁽¹⁾, gross sales proceeds ("GSP") was RMB8.2 billion, representing a YOY increase of 21.1% and 3.5% from the same period in 2022, respectively, while profit from operations before depreciation and amortisation (net profit before depreciation, amortisation, interest, tax and other gains and losses) ("EBITDA") was RMB1.3 billion, representing a slight decrease of 0.9% from the same period in 2022. In the first half of the year, the Group promoted merchandising adjustments in an orderly manner, and continued to strengthen cooperation with benchmark brands for store debuts and flagship store establishment in the region. In the first half of the year, the Group adjusted a total of 109,000 square metres of its counter area, involving 881 brands and accounting for 10.2% of the total counter area of the Group. The overall occupancy rate was 91.6%.

With the continuous upgrade of consumption philosophy and consumer demand, consumer's demand for quality, brand, service and experience is ever-growing. The "first store economy" continues to gain momentum. Store debut not only has a significant brand spillover and consumption upgrade effect, but also brings about new consumption scenarios and public discussions, stimulating consumption potential. In the first half of the year, the Group has introduced 5 provincial-level first stores, 22 city-level first stores, 26 benchmark brands, and 1 flagship store. Based on the changes in consumer demand and consumption characteristics, the Group continued to lead commercial upgrades by virtue of its "merchandise strength", and continued to introduce regional and city-level first stores and optimise brand portfolio with popular catering, high-end beauty, fashion, entertainment and cultural experiences, increasing store revenue and rejuvenating urban quality life with diversified merchandise portfolio.

Leveraging on its landmark location in the city, Nanjing Golden Eagle World Store focused on introducing composite and innovative business formats. Through the introduction of store debuts in the city and the introduction of benchmark brands in various categories, such as Siam Street (暹羅街), Xiaonanye (小南椰), Lego, GUCCI Timepieces and Jewelry, and Xia Laotaitai (西塔老太太), Nanjing Golden Eagle World Store continued to build a new lifestyle track favoured by young consumers. At the same time, it strengthened its parent-child offerings and created a new urban gathering space. Nanjing Xinjiekou Store continued to expand its advantageous brand categories by introducing popular catering brands including Huolujia (火爐家), Chenmapo (陳麻婆), and JUST FIRE (嗜火), subverting the dining experience in Nanjing. The opening of Xuzhou Store's Metro Shopping Block attracted the entry of 15 internet-famous benchmark brands including Nayuki (奈雪的茶), CHAGEE (霸王茶姬), and IP STAR, releasing new vitality for consumption in the city center of Xuzhou. The Group has also upgraded the international beauty selections of its Taizhou store. Helena Rubinstein, YSL, Giorgio Armani and other high-end beauty brands that are in short supply in the market will make an entrance into the store's beauty section on 1st floor.

⁽¹⁾ According to year-on-year comparison of data collected from the Group's retail chain stores with customer traffic statistics system installed



Management Discussion and Analysis

The Group closely follows the market trends and hot topics, and drives user engagement and growth through marketing, and empowers operations through customer traffic. Through the combination of high quality, high frequency, and multi-channel marketing approaches, the Group carried out nationwide collaborations and targeted pivotal moments to explore new opportunities for business growth. In the first half of the year, the Group cooperated with premium IPs, platforms and government departments to jointly launch city-level marketing campaigns. In January, the Group's six stores in Nanjing partnered with the Nanjing Municipal Bureau of Commerce, Nanjing Metro and Alipay to give away Golden Eagle coupons via a QR code scan for people taking metro transport. In April, the Group collaborated with Super Plants (超級植物公司) to hold the first national exhibition, and the User-generated Content ("UGC") on social media exceeded 10 million views; the Group also partnered with Ant Forest (螞蟻森林) to build a "Green Energy Station", which achieved 22 million online exposures. In addition, the Group leveraged on brands' resources to strengthen customer stickiness for brands and stores and achieved a win-win situation. In April, HAZZY was opened at Nanjing Xinjiekou Store and Chen Duling (陳都靈), the spokesperson for HAZZY womenswear, served as a one-day star store manager. The customer traffic on the day of the event increased by 20.1% YOY, and the brand's single-week sales exceeded RMB1.1 million. In April, the Group collaborated with L'Occitane to hold the first national exhibition of "From Green to Green", L'Occitane in Nanjing Xinjiekou Store generated RMB1.8 million GSP for that month. Furthermore, the Group placed more focus on online marketing to create a new growth driver. During the mid-year shopping festival in June, the Group partnered with Douyin (抖音) to carry out livestreaming sales for the first time to promote Golden Eagle coupons that are redeemable at 25 stores in 15 cities across the country, covering beauty, fashion, grocery, catering and other categories. In addition, the Group invited thousands of influencers to visit the stores, and 22,000 videos were released, with the total number of video views exceeding 42.0 million and the Gross Merchandise Value ("GMV") exceeding RMB30.0 million.

In the first half of 2023, the Group's 7-Eleven convenience store business expanded steadily with increasing returns. GSP generated in the first half of the year was RMB149.0 million, representing a YOY increase of 67.6%. The number of the Group's 7-Eleven convenience stores grew from 121 at the end of 2022 to 145, of which 22 are self-owned stores and 123 are franchised stores. 7-Eleven held a mid-year shopping festival, and its single-day GSP exceeded RMB16.0 million. In the first half of the year, 7-Eleven recruited 743,000 new members, bringing sales of RMB67.6 million. In order to connect with consumers more effectively so as to boost sales, in 2023, 7-Eleven has been actively building its "2.0 version store" to revitalise and elevate the store image. In addition, 7-Eleven has established its own fresh food factory with a total gross floor area ("GFA") of approximately 4,000 square metres, which will focus on the production of 7-Eleven distinctive food products, such as rice balls and other rice items. The designed daily production capacity of the factory is 120,000 servings, which can meet the daily demand for 300 stores in the future.

The Group continues to optimise its member services, actively explore opportunities for growth, and build a private traffic pool. In the first half of 2023, the Group had a total of approximately 3.5 million VIP members. The Group focused on online and offline integration to optimise the traffic matrix. The average daily traffic of the "GE Life" (金鷹生活) WeChat mini program rose 17.1% YOY, and the official account has a total of 390,000 followers. In the first half of the year, the Group rationalised 1,846 chat groups and added 218 new groups, and the conversion rate of group transactions increased by 43.2% YOY. Through the "GE Life" WeChat mini program, 342 brand flagship store livestream sessions featuring celebrities and KOLs were carried out in the first half of the year, and sales of these brands increased by 46.0% YOY. In the first half of the year, the Group launched the IP activity "Wednesday Members' Day", offering free parking on Wednesdays, flash sales on Wednesdays, and various benefits through multi-business collaborations to strengthen the emotional connection with VIP members.



Management Discussion and Analysis

Outlook

With the impact of the three-year pandemic, economic volatility is inevitable, but the momentum for long-term domestic consumption recovery continues. Looking ahead to the second half of 2023, consumption will still be the core driver of China's economic growth, and the scale expansion and structural upgrade of consumer demand are important factors affecting economic development. The retail sector is expected to continue to benefit from the support of various government consumption-stimulating policies and see a gradual recovery. Retail operators have to delve deeper into business operations, start a new path in the changing situation, and continue to make efforts on store upgrades, merchandise portfolio adjustments, digitalisation, marketing, etc., to help accelerate business recovery.

In the next few years, the Group's Golden Eagle World projects in Nantong, Changzhou and Changchun, as well as Liyang, Kunshan Phase II and Yangzhou Jiangdu Phase II projects will be gradually launched in stages in leased or self-owned properties, which will add a total GFA of approximately 783,000 square metres to the Group's lifestyle centres; adhering to the green, low-carbon and sustainable development strategy, all new commercial projects of the Group in the future will fully adopt low-carbon energy-saving technologies such as photovoltaic power generation, high-efficiency chiller plant, rainwater recycling, and intelligent lighting, and will be planned and built in accordance with China's two-star or above green building standard.

FINANCIAL REVIEW

GSP and revenue

Since early 2020, the COVID-19 outbreak has spread across China and other countries. A series of precautionary and control measures have been implemented across China since then. The pandemic has affected retail business in China and the economic activities of the Group to a certain extent. The Group's stores were required to temporarily shortened their operating hours and/or closed during the regional outbreaks. In 1H2022, the Group's stores at Nantong, Xuzhou, Ma'anshan and Wuhu were closed for one to two weeks during the period in March and April 2022, while the Group's stores at Xi'an, Suzhou, Kunshan and Shanghai were closed for four to eight weeks in the second quarter of 2022.

In response to the situation, the Group has adopted various measures to mitigate the adverse impact of pandemic on its business operations, including maximising operational efficiency, promoting online sales, assisting merchants and business partners in weathering the pandemic, and implementing comprehensive cost-saving measures. With adoption of the abovementioned measures, continuous efforts in merchandise adjustments and creative marketing campaigns, the Group has demonstrated resilience in its recovery since the second quarter of 2020. However, the Group's operating results were inevitably impacted by the resurgence of regional outbreaks since then, especially during the period when the Group's stores temporarily shortened their opening hours and/or were closed.



Management Discussion and Analysis

The Group also implemented a series of measures and policies to assist merchants and business partners in weathering the difficult situation caused by the pandemic since 2020, including granting subsidies and rental concessions to concessionaire and rental tenants, totalling approximately RMB80.0 million and RMB49.0 million respectively, during each of the first half of 2020 and 2022.

During the period under review, GSP of the Group increased to RMB8,153.8 million, representing a YOY increase of 3.5% or RMB272.3 million. The increase was mainly attributable to the net effects of (i) a YOY increase of 4.3% in retail same-store sales⁽²⁾ amid the optimisation of China's pandemic prevention and control measures since the end of 2022 which resulted in the increase in customer traffic and recovery of consumer sentiment; and (ii) the decrease in sales of properties by RMB111.6 million or 80.9% to RMB26.4 million since no material delivery of property units was carried out in 1H2023 whereas the Group delivered a comparatively larger proportion of the pre-sold units in phase one sub-sections one and two of Changchun Golden Eagle World Project to the purchasers in 1H2022.

During 1H2023, concessionaire sales contributed to 74.4% (1H2022: 73.6%) of the Group's GSP, which increased by 4.7% YOY to RMB6,067.7 million from RMB5,797.3 million in 1H2022, while direct sales contributed to 18.1% (1H2022: 17.3%) of the Group's GSP, which increased by 7.9% to RMB1,472.8 million from RMB1,365.7 million in 1H2022. Rental income contributed to 6.9% (1H2022: 7.0%) of the Group's GSP, which increased by 1.8% YOY to RMB560.1 million in 1H2023 from RMB550.5 million in 1H2022. Sales of properties contributed to 0.3% (1H2022: 1.7%) of the Group's GSP in 1H2023, which decreased by 80.9% YOY to RMB26.4 million from RMB138.0 million in 1H2022. Other income accounted for the remaining 0.3% (1H2022: 0.4%) of the Group's GSP, which decreased by 10.7% YOY to RMB26.8 million in 1H2023 from RMB30.0 million in 1H2022.

Commission rate from concessionaire sales decreased to 16.8% (1H2022: 17.4%) while gross profit margin from direct sales decreased to 12.6% (1H2022: 13.8%), resulting in a decrease in the overall gross profit margin from concessionaire sales and direct sales to 16.0% (1H2022: 16.7%). This was mainly due to (i) more promotional discounts being offered in order to attract customer traffic and sales during the period under review; and (ii) approximately 0.5% dilution on the direct sales gross profit margin due to the increase in sales of goods to the Group's 7-Eleven franchisees at procurement costs (which was in line with the Group's pricing policy) and such sales increased by 1.1 times YOY to RMB103.2 million (1H2022: RMB49.5 million) for 1H2023 as a result of the continuous expansion of the Group's 7-Eleven franchise chain.

A breakdown of GSP from concessionaire sales and direct sales by category indicates that sales of apparel and accessories contributed to 40.4% (1H2022: 39.9%) of the GSP; sales of gold, jewellery and timepieces contributed to 17.9% (1H2022: 18.1%); sales of cosmetics contributed to 15.9% (1H2022: 16.2%); sales of outdoor, sports clothing and accessories contributed to 10.8% (1H2022: 10.4%); sales at the supermarket operation (including sales of tobacco, wine and liquor) contributed to 8.8% (1H2022: 8.2%) and sales of other products such as electronics and appliances, household and handicrafts, childrenswear and toys contributed the remaining 6.2% (1H2022: 7.2%) of the GSP.

⁽²⁾ Same-store sales represents change in total GSP of retail chain stores which were in operation throughout the comparable period.



Management Discussion and Analysis

During the period under review, the Group's 7-Eleven convenience stores generated GSP of RMB149.0 million, which increased by 67.6% YOY from RMB88.9 million in 1H2022. The number of 7-Eleven convenience stores increased from 121 (with a total GFA of approximately 11,752 square metres) as at 31 December 2022 to 145 (with a total GFA of approximately 13,910 square metres) as at 30 June 2023. Out of which, 22 stores (31 December 2022: 22 stores) were self-operated stores and 123 stores (31 December 2022: 99 stores) were franchised stores, spanning across nine cities including Nanjing, Taizhou, Nantong, Yangzhou, Huai'an, Changzhou, Zhenjiang, Yancheng and Xuzhou.

As at 30 June 2023, the Group's completed properties for sale and properties under development for sale amounted to RMB1,035.8 million (31 December 2022: RMB622.6 million) and RMB1,187.1 million (31 December 2022: RMB1,582.8 million), respectively.

Completed properties for sale comprised of the Group's (i) the Riverside Century Plaza Project (in Wuhu Anhui Province, being one of the projects acquired by the Group in the year 2015) with total salable office and residential GFA of approximately 23,097.2 square metres (31 December 2022: 23,732.6 square metres); (ii) the remaining completed portion of the Yangzhou New City Centre Project, mainly phase one and two sub-section one properties, which were transferred from properties under development for sale with an estimated total salable residential and commercial GFA of approximately 1,095.7 square metres (31 December 2022: nil) and salable car parking spaces with GFA of approximately 35,433.3 square metres (31 December 2022: nil); and (iii) the remaining completed portion of Changchun Golden Eagle World Project phase one sub-sections one and two with an estimated total salable residential, commercial and car parking spaces GFA of approximately 82,653.4 square metres (31 December 2022: nil) as at 30 June 2023.

Properties under development for sale mainly comprised of the Group's (i) remaining portion of the Yangzhou New City Centre Project, mainly phase two sub-section two, with an estimated total salable residential and commercial GFA of approximately 95,117.8 square metres (31 December 2022: 96,501.8 square metres) as at 30 June 2023. The remaining completed salable car parking spaces with GFA of approximately 35,658.6 square metres as at 31 December 2022 were transferred to completed properties for sale during the period under review; (ii) Lianyungang Project with an estimated total salable residential and commercial GFA of approximately 29,323.0 square metres (31 December 2022: 29,323.0 square metres); and (iii) remaining completed Changchun Golden Eagle World Project phase one sub-sections one and two with an estimated total salable residential, commercial and car parking spaces GFA of approximately 84,744.1 square metres as at 31 December 2022 were transferred to completed properties for sale during the period under review.



Management Discussion and Analysis

Pre-sale of the units in phase one of Yangzhou New City Centre Project have commenced since the year 2016 and these units were completed and delivered to the purchasers in the second half of 2018 and the first half of 2019. The Group commenced pre-sale of the units in phase two sub-section one of the project since September 2017. These units were completed and delivered to purchasers at the end of 2019 and in the first half of 2020. Phase two is the last phase of Yangzhou New City Centre Project which comprises two sub-sections, and sub-section two is yet to be developed.

The Changchun Golden Eagle World Project is expected to be built in five phases and will be developed in stages over the coming years. Phase one of Changchun Golden Eagle World Project comprises three sub-sections. Pre-sale of the units in phase one sub-sections one and two have commenced since the year 2020. The construction work of phase one sub-sections one and two with total salable residential, commercial and car parking spaces GFA of approximately 116,720.9 square metres is expected to be completed in phases from the end of 2021 to the year 2023. The delivery of the respective pre-sold units to purchasers commenced at the end of 2021. A portion of these pre-sold units with GFA of approximately 2,090.7 square metres were completed and delivered to purchasers during 1H2023 and the remaining pre-sold units with GFA of approximately 5,560.5 square metres are expected to be delivered to purchasers in 2H2023. The Group will commence sales of the remaining units of phase one sub-sections one and two after evaluating the local market environment in 2H2023.

Pre-sale of the residential units in Lianyungang Project has commenced in the year 2022, which is a relatively small project of the Group. The construction work is expected to be completed in the year 2025 and the units are expected to be delivered to pre-sale purchasers in the same year. As at 30 June 2023, properties with GFA of approximately 14,854.1 square metres have been pre-sold and deposits and prepayments in the aggregate sum of RMB197.0 million have been received by the Group.

Sales of properties amounted to RMB26.4 million (1H2022: RMB138.0 million) with an aggregate GFA of approximately 3,239.7 square metres (1H2022: 17,150.9 square metres) being sold in 1H2023. The sales were mainly contributed by the sales of properties at the Group's (i) Changchun Golden Eagle World Project which amounted to RMB17.0 million (1H2022: RMB126.0 million); (ii) Yangzhou New City Centre Project which amounted to RMB3.4 million (1H2022: RMB4.7 million); and (iii) Riverside Century Plaza Project which amounted to RMB6.0 million (1H2022: RMB7.3 million). Gross profit margin of sales of properties was 5.6% (1H2022: 28.3%). The gross profit margin was diluted by the clearance sales of car parking spaces at the Yangzhou New City Centre Project and the Riverside Century Plaza Project in 1H2023 with low gross profit margin.

The Group's total revenue remained stable and amounted to RMB2,786.9 million.



Management Discussion and Analysis

Other income, gains and losses

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Other income	378,780	368,924
Other gains and losses	(116,821)	(229,990)
	261,959	138,934
Total operating income		
Revenue	2,786,882	2,786,224
Other income	378,780	368,924
	3,165,662	3,155,148

Other income mainly comprised of various miscellaneous operating income received from retail tenants and customers, including overall administration and management fees from concessionaires and rental tenants and credit card handling fees from retail customers. Other income increased by RMB9.9 million or 2.7% to RMB378.8 million which was generally in line with the increase in sales. Total operating income, being the aggregate of the Group's revenue and other income, increased to RMB3,165.7 million, representing an increase of RMB10.5 million or 0.3%. Total retail operating income, being the total operating income excluding the operating income from property sales and hotel operations (for simple reconciliation purpose), increased to RMB3,127.8 million, representing an increase of RMB120.0 million or 4.0%.

Other gains and losses mainly comprised of non-operating gains and losses such as (i) net foreign exchange gain and loss resulting from the translation of foreign currencies denominated assets and liabilities into RMB; (ii) the gains and losses and dividend income derived from the Group's investment in securities; (iii) the changes in the fair value of the Group's investment properties; and (iv) other one-off or non-recurring gains and losses.

The net loss of other gains and losses decreased by RMB113.2 million to RMB116.8 million in 1H2023. Such decrease was primarily due to the net effects of (i) the decrease in a net foreign exchange loss by RMB189.6 million to RMB122.4 million in 1H2023; (ii) the decrease in investment income from structured bank deposits by RMB47.0 million from RMB51.0 million recognised in 1H2022 to RMB 4.0 million in 1H2023 due to the decrease in the relevant deposit rates and the Group has deployed more surplus capital to bank deposits during the period under review; (iii) a fair value change of the Group's unquoted fund investment at FVTPL from a gain of RMB29.4 million recognised in 1H2022 to a loss of RMB0.7 million in 1H2023, representing a net difference of RMB30.1 million; and (iv) the increase in fair value loss of investment properties from RMB4.3 million recognised in 1H2022 to RMB24.4 million in 1H2023.



Management Discussion and Analysis

Changes in inventories of merchandise and cost of properties sold

Changes in inventories of merchandise and cost of properties sold represented the cost of goods sold under the direct sales business model and the cost of properties sold. Changes in inventories of merchandise and cost of properties sold increased by RMB23.1 million or 2.0% YOY to RMB1,165.2 million for 1H2023. Such increase was generally in line with the net increase in direct sales and decrease in sales of properties.

Employee benefits expense

Employee benefits expense decreased by RMB6.2 million or 3.8% YOY to RMB156.8 million in 1H2023. Such decrease was primarily attributable to the net effects of (i) the continuous efforts of the Group to streamline the roles and functions of its employees at all levels; and (ii) the continuous investment in human resources for the implementation and development of the Group's "comprehensive lifestyle concept" and "interactive retail platform".

Employee benefits expense as a percentage of GSP decreased by 0.1 percentage point to 2.2% from 2.3% in 1H2022.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible asset and right-of-use assets increased by RMB10.0 million or 4.4% YOY to RMB239.4 million in 1H2023. The increase was mainly attributable to the increase in depreciation of right-of-use assets followed by the delivery of approximately 27,240 square metres of the Group's additional Xuzhou metro commercial project leased area by the landlord in May 2023.

Depreciation and amortisation expenses as a percentage of GSP remained stable at 3.3% in 1H2023.

Rental expenses

Rental expenses increased by RMB5.7 million or 2.9% YOY to RMB203.0 million in 1H2023. The Group's rental arrangements were mainly pegged to the sales and rental income generated by the respective stores which operated in leased properties. Such increase was attributable to the increase in retail sales and rental income of these stores in 1H2023.

Rental expenses as a percentage of GSP remained stable at 2.8% in 1H2023.



Management Discussion and Analysis

Other expenses

Other expenses decreased by RMB0.6 million or 0.2% YOY to RMB315.5 million in 1H2023. Other expenses mainly included expenses for utilities, expenditure on advertising and promotional activities, costs for cleaning, repair and maintenance, fees for property management and other tax expenses.

The decrease was primarily attributable to the net effects of (i) the management's consistent and disciplined approach towards cost control; and (ii) the increase in utilities costs by RMB4.9 million due to the increase in both the utility unit costs and utility consumptions amid the optimisation of China's pandemic prevention and control measures since the end of 2022, resulting in the increase in customer traffic. The Group continues to take advantage of the intelligent property management measures in place to utilise various utilities effectively and efficiently.

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Utilities expenses	113,701	108,808
Property management fees	65,003	71,725
Cleaning, repair and maintenance expenses	48,478	48,680
Advertising and promotion expenses	17,997	16,605
Other tax expenses	13,807	13,525
Loss on disposal of property, plant and equipment	1,105	2,520
Subcontracting service charges	4,604	4,870
Others	50,814	49,425
	315,509	316,158

Other expenses as a percentage of GSP decreased by 0.1 percentage point to 4.4% from 4.5% in 1H2022.

Finance income

Finance income was mainly generated from bank deposits and various short-term bank related deposits placed by the Group in banks when the Group has surplus capital. Finance income increased by RMB74.4 million or 1.3 times YOY to RMB130.7 million in 1H2023 which was mainly due to the net effects of (i) the increase in interest income from bank deposits by RMB80.5 million as more capital had been deployed in bank deposits in 1H2023; and (ii) the decrease in interest income from loans to third parties by RMB6.2 million to RMB3.9 million as a result of the repayments of loans from the third parties in 1H2023.



Management Discussion and Analysis

Finance costs

Finance costs mainly comprised of interest expenses on the Group's bank borrowings and senior notes. Finance costs increased by RMB91.8 million or 61.3% YOY to RMB241.7 million in 1H2023, which was primarily due to the net effects of (i) the increase in London and Hong Kong Interbank Offer Rates, which the Group's floating rate syndicated loan referred to. Subsequent to the balance sheet date, CME Term SOFR Reference Rate has replaced London Interbank Offer Rate and became the reference rate for the USD portion of the Group's syndicated loan; (ii) the depreciation of RMB against USD and HK\$ in 1H2023; and (iii) the decrease in interest expenses for the Group's senior notes upon completion of the full redemption of the same in May 2023.

Income tax expense

Income tax expense of the Group decreased by RMB34.7 million or 10.8% YOY to RMB285.3 million. Effective tax rate for 1H2023 was 33.1% (1H2022: 40.5%). The YOY decrease of 7.4 percentage points in effective tax rate was mainly due to the net decrease in offshore non-deductible expenses, namely the decrease in offshore net foreign exchange loss and the increase in interest expenses for the Group's offshore bank borrowings.

Profit for the period

Profit for the period increased by RMB107.4 million or 22.8% YOY to RMB577.7 million. Net profit margin, which represents net profit as a percentage of GSP, was 8.0% (1H2022: 6.7%) for 1H2023.

Profit from operations (net profit before interest, tax and other gains and losses) decreased by RMB21.6 million or 1.9% YOY to RMB1,085.8 million (1H2022: RMB1,107.2 million), while EBITDA decreased by RMB11.5 million or 0.9% YOY to RMB1,325.1 million (1H2022: RMB1,336.6 million).

On the other hand, profit from retail operations before depreciation and amortisation (net profit before depreciation, amortisation, interest, tax, other gains and losses and excluding profit from property sales and hotel operations) ("Retail EBITDA") increased by RMB19.7 million or 1.5% YOY to RMB1,313.4 million (1H2022: RMB1,293.7 million).

During the period under review, the aggregate net operating losses generated by 3 (1H2022: 3) loss-making stores amounted to RMB4.4 million (1H2022: RMB9.7 million).

Capital expenditure

Capital expenditure of the Group for 1H2023 amounted to RMB54.9 million (1H2022: RMB116.7 million). The amount mainly comprised of contractual payments made for the acquisition of plant and equipment, construction of chain store projects on greenfield sites and the upgrade and/or expansion of the Group's existing retail spaces in order to enhance both shopping environment and the Group's competitiveness in the markets.



Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors, the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in ordinary shares of HK\$0.10 each of the Company ("Shares")

Name of Director	Personal Interests	Corporate Interests	Total Interests	Total interests as percentage of the issued share capital
Mr. Wang Hung, Roger	4,250,000	1,151,268,000	1,155,518,000 ^(Note)	69.60%

Note: These 1,155,518,000 Shares comprised (i) 1,151,268,000 Shares beneficially held by the Family Trust interest in GEICO, which in turn is interested in the entire issued share capital of Golden Eagle International Retail Group Limited, in which Mr. Wang is the trustee; (ii) 4,000,000 Shares held by Mr. Wang as the beneficial owner; and (iii) 250,000 Shares beneficially held by Ms. Wang Hsu Vivine H ("Mrs. Wang"), the spouse of Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in all the Shares held by the Family Trust and Mrs. Wang. Mrs. Wang is deemed to be interested in all the Shares held by Mr. Wang.

Save as disclosed above, as at 30 June 2023, none of the Directors, chief executive nor their associates had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations required to be disclosed under the SFO or the Model Code.



Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2023, the register of substantial shareholders and other persons maintained by the Company pursuant to section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors of the Company, the following shareholders had notified the Company of their relevant interests in the shares and underlying shares of the Company:

Long position in Shares

Name of Substantial Shareholder	Nature of Interest	Number of Shares held	Percentage of shareholding
GEICO Holdings Ltd. ^(Note 1)	Interest in controlled corporation	1,151,268,000	69.35%
Golden Eagle International Retail Group Limited ^(Note 1)	Beneficial owner	1,151,268,000	69.35%
RVJD Holding Limited ^(Note 2)	Interest in controlled corporation	165,880,000	9.99%
RVJD STAR Company ^(Note 2)	Beneficial owner	165,880,000	9.99%
ICFI HK (U.S.A.) Investments, LLC	Beneficial owner	119,232,588	7.18%

Notes:

1. These Shares were held by Golden Eagle International Retail Group Limited, a wholly-owned subsidiary of GEICO which is in turn wholly-owned by the Family Trust in which Mr. Wang is the trustee.
2. These Shares were held by RVJD STAR Company, a wholly-owned subsidiary of RVJD Holding Limited which is in turn wholly-owned by The 2019 RVJD STAR Trust, a discretionary trust with Cititrust Private Trust (Cayman) Limited as the trustee. None of the Directors are beneficiaries of the trust. The 2019 RVJD STAR Trust is not a core connected person (as defined in the Listing Rules) of the Company and its shareholding in the Company is counted towards the Company's public float under the Listing Rules.

Save as disclosed above, as at 30 June 2023, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.



Other Information

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review was the Company, its controlling shareholders, holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

STATUS OF CONNECTED TRANSACTIONS PENDING COMPLETION

The following were the status of the Group's non-exempt connected transactions which are pending completion:

Nanjing Xinjiekou Block B Framework Agreement

On 9 November 2009, the Group entered into a framework agreement with Nanjing Golden Eagle International Group Co., Ltd. ("Golden Eagle International Group"), a fellow subsidiary of the Company ultimately wholly-owned by Mr. Wang and a connected person of the Company, pursuant to which Golden Eagle International Group agreed to develop and sell, and the Group agreed to acquire, the whole of 1st to 6th floors and portion of basement 2nd floor of Golden Eagle Centre Tower B (the "Xinjiekou Store Block B Property"), a 42-storey building with 5 levels of basement located adjacent to Nanjing Xinjiekou Store Block A and is legally and beneficially owned by Golden Eagle International Group.

The consideration of RMB875.0 million (subject to adjustment) for the acquisition of Xinjiekou Store Block B Property was calculated based on RMB17,500 per square metre and the estimated aggregate GFA of approximately 50,000 square metres and may be adjusted depending on the GFA of Xinjiekou Store Block B Property actually to be delivered to the Group upon completion. In the event that the actual GFA is less than 50,000 square metres, the remaining balance of the outstanding consideration will be adjusted downward. If the amount to be deducted exceeds the balance of the consideration, Golden Eagle International Group shall pay such shortfall to the Group within 5 business days after the transfer of the title of Xinjiekou Store Block B Property to the Group.

The purpose of the acquisition of Xinjiekou Store Block B Property is to increase the operating area of Nanjing Xinjiekou Store and the consideration will be paid by instalments in accordance with the pre-determined construction phases. The construction of Xinjiekou Store Block B Property was completed and Nanjing Xinjiekou Store Block B commenced soft opening in April 2014. It is expected that the actual GFA to be delivered to the Group will be approximately 50,281.41 square metres and the outstanding consideration will be adjusted upward by approximately RMB4.9 million accordingly, resulting in an adjusted total consideration of RMB879.9 million. As at the date of this report, the Group was still liaising with the relevant governmental authorities on the acquisition and considering other alternatives in the event that there are any hurdles in the acquisition.

Details of the transaction have been disclosed in the Company's announcement and circular dated 11 November 2009 and 2 December 2009 respectively.



Other Information

Kunshan Framework Agreement

On 28 March 2011, the Group entered into a cooperation framework agreement with 昆山金鷹信息科技發展有限公司 (formerly known as 昆山金鷹置業有限公司) (Kunshan Golden Eagle Information Technology Development Co., Ltd.*) ("Kunshan Golden Eagle Technology"), a fellow subsidiary of the Company ultimately wholly-owned by Mr. Wang and a connected person of the Company, for the acquisition of a property which is situated at Kunshan, Jiangsu Province.

The property comprises the whole of 1st to 8th floors and basements B1 and B2 of Kunshan Tiandi Project (as defined in the circular dated 4 June 2015) with an aggregate GFA of approximately 118,500 square metres (the "Kunshan Property"). Kunshan Tiandi Project is a commercial complex comprising retail, hotel, office and residential located at the south side of Dongxin Street and the east side of Zhujiang Road, Kunshan Development Zone at Kunshan with an estimated aggregate GFA of approximately 400,000 square metres and is legally and beneficially owned by Kunshan Golden Eagle Technology.

The consideration of RMB1,125.8 million (subject to adjustment) for the acquisition of Kunshan Property was calculated based on RMB9,500 per square metre and the estimated aggregate GFA of approximately 118,500 square metres and may be adjusted depending on the GFA of Kunshan Property actually to be delivered to the Group upon completion. The consideration will be paid by instalments in accordance with the pre-determined construction phases. The construction of the Kunshan Property was completed and Kunshan Store commenced soft opening in January 2015. It is expected that the actual GFA to be delivered to the Group will be approximately 108,791.28 square metres and the outstanding consideration will be adjusted downward by approximately RMB92.3 million accordingly, resulting in an adjusted total consideration of RMB1,033.5 million. It is anticipated that the title of Kunshan Property will be transferred to the Group in 2023.

The Board believes that the acquisition of the Kunshan Property and its development into a mega lifestyle centre will enable the Group to further enhance its presence, market share and competitiveness in Jiangsu Province in which the Group is already enjoying a leading position.

Details of the transaction have been disclosed in the Company's announcement and circular dated 28 March 2011 and 21 April 2011 respectively.



Other Information

DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

On 7 April 2021, the Group entered into a dual-currency three-year syndicated loan facility agreement in the principal amounts of USD420.0 million and HKD1,408.0 million (in aggregate equivalent to approximately RMB3,941.5 million) with a group of financial institutions, which will be due for full repayment in April 2024 (the "Syndicated Loan Facility Agreement").

Pursuant to the terms of the Syndicated Loan Facility Agreement, it constitutes, among others, an event of default if at any time while the entire or part of the syndicated loan facility remains outstanding, Mr. Wang ceases to (i) hold directly or indirectly not less than 51% of the beneficial interest in the Company; (ii) be the single largest shareholder of the Company; (iii) be the Chairman and executive Director of the Company; or (iv) maintain the management control of the Company or have the right to determine the composition of majority of the Board. Upon occurrence of an event of default, all outstanding loans together with accrued interest and any other amounts accrued under the Syndicated Loan Facility Agreement may become immediately due and payable. The facility was fully utilised and remained outstanding as at 30 June 2023.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group's cash and near cash (cash and cash equivalents, restricted/pledged bank balances and structured bank deposits) amounted to RMB8,287.5 million (31 December 2022: RMB7,889.9 million) whereas the Group's total borrowings (including bank borrowings and senior notes) amounted to RMB5,616.6 million (31 December 2022: RMB6,861.7 million). For 1H2023, the Group's net cash generated from operating activities amounted to RMB1,300.2 million (1H2022: RMB553.0 million); net cash used in investing activities amounted to RMB730.2 million (1H2022: RMB797.9 million); and net cash used in financing activities amounted to RMB1,679.7 million (1H2022: RMB119.5 million).

As at 30 June 2023, bank borrowings of the Group amounted to RMB5,616.6 million (31 December 2022: RMB4,227.0 million), which comprised of the Group's three-year dual-currency syndicated loan amounted to RMB4,404.3 million (31 December 2022: RMB4,227.0 million), a three-year term loan due in March 2026 amounted to RMB800.0 million (31 December 2022: nil) and short-term revolving bank loans amounted to RMB412.3 million (31 December 2022: nil). The Group's syndicated loan will mature in full in April 2024. Accordingly, the amount has been reclassified as current liabilities as at 30 June 2023. Subsequent to the balance sheet date, the Group has made voluntary prepayment in the amounts of USD196.0 million and HKD657.1 million (equivalent to RMB2,008.9 million), to reduce its outstanding syndicated loan balance to USD224.0 million and HKD750.9 million as at the date of this report. Senior notes of the Group in the amount of RMB2,634.7 million as at 31 December 2022 have been fully redeemed in May 2023 with the Group's internal resources and banking facilities.

The total assets of the Group as at 30 June 2023 amounted to RMB24,963.8 million (31 December 2022: RMB25,652.0 million) whereas the total liabilities of the Group amounted to RMB14,997.4 million (31 December 2022: RMB16,268.6 million), resulting in a net assets position of RMB9,966.4 million (31 December 2022: RMB9,383.4 million). The gearing ratio, which is calculated by the Group's total borrowings divided by its total assets, decreased to 22.5% as at 30 June 2023 (31 December 2022: 26.7%).



Other Information

PLEDGE OF ASSETS

Details of pledge of assets of the Group are set out in note 24 to the condensed consolidated financial statements.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group are set out in notes 5 and 25 to the condensed consolidated financial statements.

FOREIGN EXCHANGE EXPOSURE

Certain bank balances, equity investments and bank loans of the Group are denominated in USD or HK\$, which exposed the Group to foreign exchange risks associated with the fluctuations in exchange rates between USD against RMB and HK\$ against RMB. Currently, the Group has not entered into any contracts or arrangements to hedge against its foreign currency exposure, and will consider hedging measures should the needs arise. During 1H2023, the Group recorded a net foreign exchange loss of RMB122.4 million (1H2022: RMB312.0 million). The Group's operating cash flows are not subject to any exchange fluctuation.

EMPLOYEES

As at 30 June 2023, the Group employed a total of 2,015 employees (31 December 2022: 2,115 employees) with remuneration in an aggregate amount of RMB156.8 million (1H2022: RMB163.0 million) for 1H2023. The Group's remuneration policies are formulated with reference to market practices, experiences, skills, and performances of the individual employees and are reviewed every year.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES OF THE COMPANY

During 1H2023, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Directors are of the view that the Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "Code") for 1H2023.



Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Director's securities transactions. Specific enquiries have been made to all the Directors, and the Directors have confirmed that they have complied with all relevant requirements as stipulated in the Model Code in 1H2023.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this report, there were no other significant investments held, nor were there any material acquisition or disposal of subsidiaries during the period under review and there was no plan authorised by the Board for other material investments or additions of capital assets as at 30 June 2023 or the date of this report.

AUDIT COMMITTEE

The principal functions of the Audit Committee, established in compliance with the Listing Rules and the Code, are to review and supervise the financial reporting processes and internal control procedures of the Group. The interim results of the Group for 1H2023 have been reviewed by the Audit Committee. As at the date of this report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my heartfelt gratitude to all staff members for their dedication, and sincerely thank our shareholders, business partners and customers for their long-term support. In the second half of 2023, the Group will continue to uphold its original aspirations in the tide of the times, steadfastly accumulate momentum, forge ahead, and continue to leverage on our solid business operation and efficient asset operation capabilities to empower urban commerce, achieving steady operating growth and bringing greater returns.

By order of the Board of
Golden Eagle Retail Group Limited
Wang Hung, Roger
Chairman

Hong Kong, 16 August 2023