



BUILDING A FUTURE
SHARING A DREAM

ANNUAL REPORT 2024

SHUI ON LAND LIMITED

Incorporated in the Cayman islands with limited liability

STOCK CODE 272

A Leading Urban Solution Provider in China

Founded in 2004 and listed on the Hong Kong Stock Exchange in 2006, Shui On Land is a leading urban solution provider in China, offering a diverse portfolio in top tier cities across China with two core business segments: property development and property investment & management. The company specialises in urban regeneration and the development and operation of communities that prioritise culture, social engagement, and sustainability. Shui On Land is committed to delivering a best-in-class lifestyle through its well-known brands “Xintiandi” and “Lakeville”.

Xintiandi, a community brand developed and operated by Shui On Land, has pioneered the concept of open commercial districts in China. Since its establishment as Shanghai Xintiandi in 2001, the brand has developed a series of notable landmarks in Wuhan, Chongqing, and Foshan. The Xintiandi lifestyle is forward thinking – where the boundaries between live-work-play-learn are blurred. Xintiandi celebrates the diverse cultural and natural heritage of a city, spurring on innovation and sustainability. Lakeville, another brand under Shui On Land, offers luxury living through exceptional product quality and outstanding service, setting new benchmarks for premium lifestyle.

As of December 31, 2024, the company holds a land bank of 8.0 million sq.m. in prime locations across key Chinese cities. Its wholly owned subsidiary, Shui On Xintiandi, serves as the property investment and management arm, making it one of the largest private commercial property managers in Shanghai. This subsidiary oversees a portfolio of RMB 79 billion of office and retail premises in Shanghai, including the flagship Shanghai Xintiandi.

Upholding the principles of integrity, dedication, innovation, and excellence, Shui On Land is committed to “Building a future, sharing a dream.”

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FINANCIAL HIGHLIGHTS

Operating Results for the year ended 31 December

	2024 HKD'million	2023 HKD'million	2024 RMB'million	2023 RMB'million
Revenue	8,959	10,823	8,173	9,752
Represented by:				
Property development	4,775	6,546	4,356	5,898
Property investment	2,692	2,661	2,456	2,398
Property management	667	644	608	580
Construction	433	364	395	328
Others	392	608	358	548
Gross profit	5,731	5,599	5,228	5,045
(Decrease)/increase in fair value of the investment properties	(227)	35	(207)	32
Profit attributable to shareholders of the Company	197	899	180	810
Core earnings of the Group	493	1,033	450	931
Basic earnings per share	HKD2.4 cents	HKD11.2 cents	RMB2.2 cents	RMB10.1 cents
Dividend per share				
Interim paid	–	HKD0.032		
Proposed final	HKD0.036	HKD0.058		
Full year	HKD0.036	HKD0.09		

Note:

Except for dividend per share that is originally denominated in HK dollar, all of the HK dollar figures presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1.000 to HKD1.0962 for 2024 and RMB1.000 to HKD1.1098 for 2023 being the average exchange rates that prevailed during the respective years.

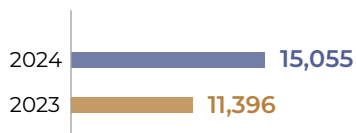
Financial Position as of 31 December

	2024 RMB'million	2023 RMB'million
Total cash and bank deposits	7,734	8,917
Total assets	91,938	100,998
Total equity	42,669	44,149
Total indebtedness	29,927	31,933
Bank and other borrowings	19,277	17,676
Senior notes	6,437	9,898
Receipts under securitisation arrangements	4,213	4,359
Net gearing ratio*	52%	52%

* Calculated on the basis of the excess of the sum of bank and other borrowings, senior notes and receipts under securitisation arrangements net of the sum of total cash and bank deposits over the total equity.

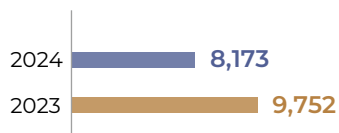
Contracted Sales

(RMB'million)



Revenue

(RMB'million)



Rental and Related Income*

(RMB'million)



Gross Profit

(RMB'million)



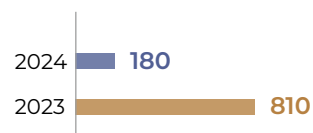
Gross Profit Margin

%



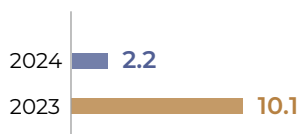
Profit Attributable to Shareholders of the Company

(RMB'million)



Basic Earnings per Share

(RMB'cents/share)



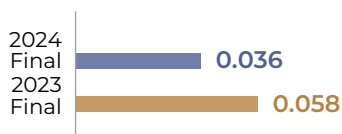
Shareholders' Equity per Share

(RMB/share)



Dividend per Share

(HKD/share)



Total Assets

(RMB'million)



Net Gearing Ratio

%



Total Cash and Bank Deposits

(RMB'million)



* Including rental and related income from Ruihong Tiandi Commercial Partnership Portfolio, 5 Corporate Avenue and Hubindao, Nanjing IFC, and CPIC Xintiandi Commercial Center, Hong Shou Fang and KIC Shanghai in which, the Group has 49.5%, 44.55%, 50%, 25%, 35% and 46.33% effective interests, respectively.

KEY ACHIEVEMENTS



STABLE PROJECT DEVELOPMENT AND RESILIENT OPERATIONAL PERFORMANCE

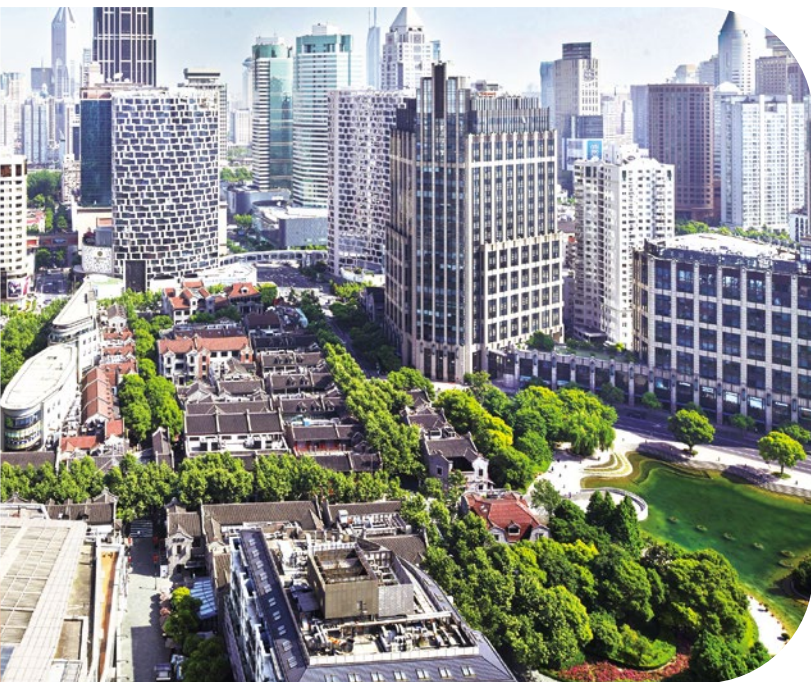
- The Cordis Hotel and Batuli, an outdoor commercial complex, opened at Lingnan Tiandi in April.
- The T2 office building of CPIC Xintiandi Commercial Centre was completed in May and its prime location and high-quality workplaces have attracted many major tenants, enabling it to achieve an occupancy rate of 80.62% as of late December.
- Xintiandi's fresh cultural initiative, the Xinsheng Festival, was brought to Panlong Tiandi in September. Inheriting Xintiandi's DNA of 'Bring Heritage to Life', it celebrated traditional festivals with a modern twist and offered diverse cultural activities and a rich blend of sensory experience.
- In September, Lakeville VI was 3.6 times over-subscribed and all 108 units were sold on the launch day, achieving total contracted sales of RMB11,979 million.
- The T1 office building of CPIC Xintiandi Commercial Centre was completed in October.
- La Riva III, a residential project at Wuhan Tiandi, was handed over in November.
- 230,000 sq.m. of office space was newly leased, 54% to 19 global industry leaders with a leased area of 2,000 sq.m. above, including Li Auto, Panasonic, Kimberly-Clark, Cisco and Publicis.

SUCCESSFULLY FULFILLED FINANCIAL OBLIGATIONS

- Adhered to a prudent capital management strategy. Successfully fulfilled all financial obligations, including having repaid USD493.5 million senior notes due on 24 August 2024, as well as USD490 million senior notes due on 3 March 2025.

NEW DEVELOPMENT

- Collaborated with the Shanghai Fengxian District Government on an urban village renovation project in October, providing professional management for the development, marketing, asset management, and operation of the project.



- Collaborated with Yong Ye Enterprise (Group), a state-owned company, on high-end residences under the Lakeville brand in the Shanghai Xintiandi Community in December. The Group is providing professional management for the development, marketing, asset management, and operation of the project.

5C SUSTAINABILITY INITIATIVES AND ACHIEVEMENTS

- Debut on the 2024 CDP Climate Change A-List and maintained our MSCI ESG "AA" rating.
- Shanghai Xintiandi and Nanjing IFC have transitioned to 100% renewable electricity for all their operational properties, raising our renewable electricity usage to 35% portfolio-wide.
- Achieved a 51.3% reduction in Scope 1 and 2 carbon emissions intensity and 28.1% in tenant emissions from 2019 baseline.
- Established a low-carbon material supplier inventory for concrete, cement and steel, and embedded material emission requirements into procurement standards.
- Conducted asset-level physical climate risk on-site assessments and group-wide transition risk scenario analysis to strengthen climate resilience, safeguard asset value and address evolving regulatory changes.
- Achieved record Green Pledge signatories from 99.8% of F&B tenants, 97.7% of retail tenants, and 92.9% of office tenants, while scaling our pioneering Deep Green Lease partnerships and implemented circular furniture solution with office tenants across 20,000 m² of leased space.
- Published Group Biodiversity Policy and deepened our partnership with The Nature Conservancy on urban biodiversity Stewardship and education initiative.
- Published Group Diversity and Inclusion Policy and raised the female representation on our Board to 36% from 33% in 2023, representing a cumulative 10% increase over three consecutive years. Earned 1st runner-up in the UN Women's Empowerment Principles 2024 Asia Pacific Award in the Transparency and Reporting category.

KEY AWARDS

Corporate

Shui On Land
Climate Leadership Award
 CDP China

Shui On Land
Fortune China ESG Influential Listing 2024
 Fortune China

Shui On Land
HKIRA 10th Investor Relations Awards 2024 – Best IR Company (Small Cap)
 Hong Kong Investor Relations Association

Shui On Land
Chairman's/President's Letter of 2023 Annual Report – Silver Award
 ARC Awards 2024

Shui On Land
Excellence in Environment, Social and Governance – Platinum Award
 The Asset

Shui On Land
Best Corporate Governance and ESG Awards 2024 – Corporate Governance – Special Mention
 The Hong Kong Institute of Certified Public Accountants

Shui On Land
Best Corporate Governance and ESG Awards 2024 – ESG Award
 The Hong Kong Institute of Certified Public Accountants

Shui On Land
UN Women's Empowerment Principles Asia Pacific Award 2024 – Transparency & Reporting – 1st Runner Up
 UN Women's Empowerment Principles

Shui On Land
Listed Company Awards of Excellence 2024
 Hong Kong Economic Journal

Shui On Land
ESG Leading Enterprise Awards 2024
 Bloomberg Businessweek – Chinese Edition

Shui On Xintiandi
Most Influential Commercial Real Estate Company TOP 30
 Van Sound Club



Project

Shanghai Xintiandi
The Rising Community
 China Urban Regeneration Forum & YICAI

Riverville
Best Residential Project – Silver Award
 MIPIM Asia Awards

Hong Shou Fang
Best Cultural, Educational and Urban Regeneration Project – Gold Award
 MIPIM Asia Awards

Hong Shou Fang
Outstanding Urban Renewal Cases
 Invest Shanghai

Panlong Tiandi
The Bund Milestone Awards 2024 – Best Commercial Real Estate of the Year
 The Bund Media

Panlong Tiandi
2024 Shanghai Urban Regeneration Excellent Demonstration Project Grand Award
 Shanghai Urban Regeneration Research Association

Lingnan Tiandi
National Night Culture and Tourism Consumption Gathering Area
 Ministry of Culture and Tourism of the People's Republic of China

KIC Park
The Best Commercial Future Cases of Urban Renewal in China
 China Urban Regeneration Forum

Wuhan Changjiang Tiandi
Pro+ Award – Silver Award in Public Building
 Pro+ Award

Management

Stephanie B. Y. Lo
Asia's Power Businesswomen 2024
Forbes Asia

Stephanie B. Y. Lo
Most Powerful Women China 2024
Fortune China

Jessica. Y. Wang
Influential People in China Real Estate
Ifeng.com

Jessica. Y. Wang
Instyle Women of Times
Instyle

Allan B. Zhang
Top 30 Influential Business Leaders in Commercial and Commercial Real Estate
Van Sound Club

Douglas H. H. Sung
HKIRA 10th Investor Relations Awards 2024 – Best IR by CFO
Hong Kong Investor Relations Association

Certification

Shui On Plaza
LEED – Operations and Maintenance Platinum
USGBC

Shanghai Xintiandi Community
LEED – Neighborhood Development v4 – Built Project Gold
USGBC

Hong Shou Fang
WELL Core and Shell Gold
IWBI

Lot 069-1, 071-1 of Lakeville VI
LEED – Core and Shell Gold Pre-certification
USGBC

Lot 069-1, 071-1 of Lakeville VI
WELL Core and Shell Gold Pre-certification
IWBI

Commercial Part of Panlong Tiandi
China Green Building Label 1 Star
Shanghai Municipal Commission of Housing and Urban-Rural Development

Lot 05A-03, 05A-04 of Panlong Tiandi
China Green Building Label 1 Star
Shanghai Municipal Commission of Housing and Urban-Rural Development

Nanjing IFC
Carbon Neutral Certificate
Shanghai Environment and Energy Exchange

Global Benchmark Recognition

HKQAA

AA-

HKQAA Sustainability Rating and Research



AA

MSCI ESG Rating



4 Stars

GRESB (SCOV only)



A

CDP (Climate Change)



Hang Seng Corporate Sustainability Index Series

Constituent

Hang Seng Corporate Sustainability Benchmark Index



CHAIRMAN'S STATEMENT



VINCENT H. S. LO
Chairman



“We will continue to focus on our Asset-Light strategy for business expansion, actively exploring innovations to our business model that will allow us to exploit our brand reputation and management expertise further. ”

The year 2024 was very challenging for the property market in China. After decades of rapid economic growth and urbanisation, China has entered a period of economic transition. The economy has slowed significantly, and consumer confidence has been weak due to the uncertainties faced by corporations and individuals alike. The property sector is undergoing structural correction, and many developers are experiencing severe liquidity constraints. Although the major cities have enacted measures to stimulate their property markets, they have yielded limited results so far.

Faced with such difficult and complex macro-economic conditions, the Group's long-adhered to, prudent strategy has demonstrated its resilience. In 2024, the Group recorded a profit of RMB810 million, with profit attributable to shareholders of RMB180 million. This marks a year-on-year profit decline due to fewer residential property completions and reduced recognised property sales. Total recognised property sales for the year (including joint ventures and associates) amounted to RMB7,962 million. For our commercial portfolio, total rental and related income (including joint ventures and associates) was RMB3,547 million, an increase of 9%. The Group's net gearing was 52% as at 31 December 2024, while cash and bank deposits totalled RMB7,734 million.

The Board has recommended a final dividend for the year of HKD0.036 per share (2023: HKD0.058 per share), which also represents the full-year dividend for 2024 amounted to HKD0.036 per share (2023: HKD0.09 per share).

Shanghai's High-end Residential Market Continued to Outperform

China's residential market has been undergoing significant adjustment in recent years. First-tier cities have been more resilient, however, and high-quality and premium developments in these cities remain in strong demand. Shanghai, being China's leading financial and commercial centre, continued to outperform the rest of the country in 2024, as reflected by a surge in high-end residential transaction volumes in the metropolis during the year, which rose by 150% over 2023.

Our Group has long focused on the top-tier cities in China and on the mid-to-high-end segments. This has given us a very solid foundation upon which to face the challenges posed by the changing market dynamics.

Chief among our development projects in Shanghai is the Lakeville series, which since 2002 has been an icon for the city's upscale residential market, representing the epitome of luxury. Over the years we have strengthened our "Best-in-Class" leadership position in this market segment and the value of our Lakeville brand again proved itself in 2024. In late September, we launched the latest phase in the series, Lakeville VI. The launch was 3.6 times over-subscribed, and all 108 units were sold on the launch day. The total contracted sales amounted to RMB11,979 million, achieving an average selling price of RMB210,200 per sq.m. that was a record for Shanghai's residential market. This outstanding performance clearly demonstrates the high level of confidence consumers have in Shui On Land as a property developer. Riverville, our first project extending the Lakeville brand to a wider market, also achieved a satisfactory sales performance during the year, with 6,300 sq.m. of villas and townhouses sold.

This success bodes well for the next launch of Lakeville VI in late 2025 – 36 villas and townhouses capturing Shanghai's historical charm. All have exquisite designs and fine craftsmanship that evoke memories of the rich cultural heritage of old Shanghai. We expect them to raise the bar of luxury living, not only in Shanghai itself but for all of China. The exceptional reputation of the Lakeville brand will undoubtedly give us the opportunity to explore other similar projects and partnerships in the future.

Differentiation is the Key to Stable Occupancy and Rental Growth

The Group's commercial property portfolio has also performed well. In Shanghai, Hong Shou Fang has established an "Ideal Neighbourhood" with a refined atmosphere that further diversifies what we offer. Panlong Tiandi, meanwhile, has pioneered an "Urban Retreat" concept that creates a new lifestyle. A tribute to local culture and heritage, the Xinsheng Festival was a fresh cultural initiative that brought Panlong Tiandi's heritage to life this year. Celebrating traditional festivals with a modern twist, it offered a diverse range of cultural activities and a rich blend of experiences. The festival succeeded in attracting many of the younger generation and boosted both foot traffic and tenant sales.

Our office properties, meanwhile, provide a holistic offering for enterprises, attracting well-known names as major tenants. Despite very challenging office market conditions, we were able to conclude the new leasing of 230,000 sq.m. of space in 2024, primarily driven by our Shanghai portfolio.

The Group's Xintiandi communities that integrate live-work-play-learn have enabled our commercial portfolio to maintain stable occupancy and increase rental income. Occupancy rates remained high across the Group's retail and mature office portfolio, averaging 94% and 91% respectively. We continue to adhere to a customer-centric philosophy, strengthening our core competencies in community operations, supported by innovation in products and services, to increase recurrent income and profitability. We are evolving the renowned Xintiandi to a brand embodying a forward-thinking community lifestyle that celebrates local cultural and natural heritage. Two major new commercial projects, Xintiandi Galleria at CPIC Xintiandi Commercial Centre in Shanghai, and KIC Park in Wuhan, are scheduled to open in the latter part of 2025. This will further enhance the vitality and attractiveness of the flagship communities in the two cities.

Embedding Sustainability Across Our Business

The Group remains steadfast in advancing its sustainability commitments and strategically balancing financial viability with environmental stewardship and social responsibility. Guided by our 5C Sustainability Strategy, we have moved decisively from pledges to tangible progress, embedding sustainability into every facet of our business.

The year 2024 witnessed a major step forward in our clean energy transition. In July, Shanghai Xintiandi became the first mixed-use commercial complex in Shanghai's city centre to operate entirely on renewable electricity, an achievement which helped elevate the share of renewable energy use across our operations from 20% in 2023 to 35% in 2024. Parallel to this progress, we achieved a 10% year-on-year reduction in Scope 1 and 2 carbon emissions intensity, and a cumulative reduction of 51.3% from our base year of 2019. These outcomes demonstrate the concrete progress we have made toward our 1.5°C-aligned Science-based Targets.

Recognising that most of our emissions stem from beyond our own operations, we have built a network of suppliers of lower-emission construction materials, including concrete, cement and steel, and set clear emission standards for these materials in our procurement requirements. We have also helped our tenants optimise energy efficiency and increase occupant wellbeing through offering complimentary energy and Indoor Environmental Quality audits. Together, these initiatives have driven a 28.1% reduction in tenant emissions intensity since 2019.

To future-proof our portfolio, we completed a comprehensive physical climate risk on-site assessments across all our operating assets, identifying potential threats from extreme rainfall, heat and storms. Complementing this, we have also conducted a transition risk scenario analysis to quantify climate-related financial exposures and opportunities under different transition scenarios. These insights underpin our holistic climate adaptation strategy, which integrates resilience measures to safeguard asset values while positioning the Group to capitalise on green opportunities.

CHAIRMAN'S STATEMENT

Our sustainability efforts won international acclaim throughout 2024. Most notably, we were honoured to be one of the 15 enterprises in mainland China to receive CDP's Climate Leadership Award for our exemplary climate governance and disclosure practices. Our debut on CDP's prestigious A List further solidifies our global leadership. Our systemic efforts to promote gender equality, meanwhile, earned us 1st Runner Up in the UN Women's Empowerment Principles (WEPs) 2024 Asia Pacific Award in the Transparency and Reporting category, an important endorsement of our leadership in gender-inclusive disclosure.

Sustainability has therefore proven to be more than just a set of moral imperatives. It also sharpens our strategic advantage, driving innovation and growth across the Group's businesses.

Relentless Focus on Capital Management

The credit crisis in the property sector since 2021 has put immense pressure on Chinese developers. The Group has always adopted a prudent approach to manage capital, with maintaining liquidity the key goal. Despite the deep and prolonged downturn in China's property market and the offshore lending market becoming all but shut off, we have successfully fulfilled our financial obligations. Since 2021, a total of RMB45.2 billion gross of offshore debt has been repaid, including USD490 million senior notes due on 3 March 2025. Our proactive and innovative capital management strategy and high-quality assets have helped us diversify our funding and capitalise our asset values. This has opened various avenues to improve liquidity, including the issuance of Commercial Mortgage-Backed Securities, asset disposals, and other onshore financing channels. By reducing the proportion of our debt that is held offshore in this way, we have been able to lower financing costs, given recent market trends.

Going forward, ensuring sufficient liquidity will remain our utmost priority. We will continue our prudent and proactive capital management approach, staying on top of the market and adopting the most appropriate measures for the Group.

Cautious Outlook

The strong fiscal stimulus launched by the central government in late 2024 and positive signals from the recent Two Sessions reflect the leadership's determination to stabilise the economy and property market. Although residential transactions in first-tier cities have increased since October 2024, showing signs of market recovery, the process of consolidation in China's property market will likely take several more years, especially as increasing geo-political tensions bring further uncertainty to the market. Therefore we need to remain cautious and prudent.

The marked divergence in performance between top tier and lower tier cities, and between the mass market and premium segments, will continue. High-quality products will outperform even further, giving the Group more growth opportunities. Leveraging our established strengths in the mid-to-high segment of the property market, the Group will strengthen its product competitiveness and brand influence to seize new investment and development opportunities in this segment.

At the same time, we will continue to focus on our Asset-Light strategy for business expansion, actively exploring innovations to our business model that will allow us to exploit our brand reputation and management expertise further. In 2024, we entered into two new partnerships as part of this strategy. We are collaborating with Yong Ye Enterprise (Group), a state-owned company, on high-end residences under Lakeville brand in the Shanghai Xintiandi Community, as well as with the Shanghai Fengxian District Government on an urban village renovation project. In each case, the Group will provide professional management for the development, marketing, asset management, and operation of the projects.

Appreciation to our Stakeholders

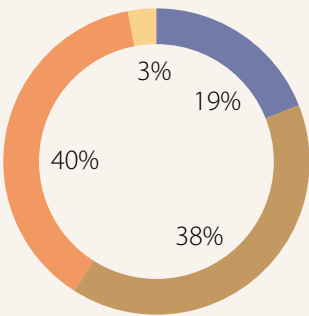
Finally, I wish to thank my fellow directors for their sage advice during the year, and the management team and our employees for their hard work. My sincere thanks also go to all our shareholders, business partners, and customers for their continued trust and support. Despite the uncertainties facing the market, together we will overcome the challenges that lie ahead.



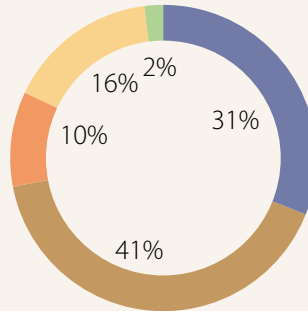
VINCENT H. S. LO
Chairman
Hong Kong, 28 March, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Landbank as of 31 December 2024



	million sq.m.
Residential	1.1
Office	2.2
Retail	2.3
Hotel/ Serviced Apartments	0.2
<hr/>	
Total Leasable and Saleable GFA	5.8
Attributable GFA	3.7



	million sq.m.
Shanghai	1.8
Wuhan	2.4
Chongqing	0.6
Foshan	0.9
Nanjing	0.1
<hr/>	
Total Leasable and Saleable GFA	5.8
Attributable GFA	3.7

Total
landbank GFA

8,037,000
sq.m.

Leading player in Shanghai
commercial real estate with GFA of

1,599,000
sq.m.

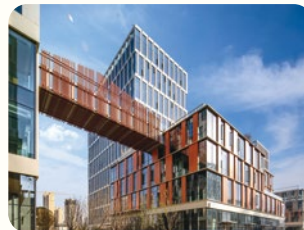
Wuhan



Wuhan Tiandi



Wuhan
Changjiang Tiandi



Innovation Tiandi

Chongqing



Chongqing Tiandi

Foshan



Lingnan Tiandi

Shanghai



Shanghai Taipingqiao



The Hub



KIC Shanghai



Hong Shou Fang



Ruihong Tiandi



Panlong Tiandi



Inno KIC



Riverville

Nanjing



Nanjing International
Finance Centre



Inno Zhujiang Lu



Baiziting

PROJECT PROFILES

SHANGHAI

Shanghai Taipingqiao

Shanghai Taipingqiao project has a total gross floor area ("GFA") of 1.2 million sq.m. and is located in Huangpu District, the main commercial centre of Shanghai's Puxi region along the western bank of the Huangpu River. The project is connected by Shanghai Metro Lines 1, 8, 10, 13 and 14, all of which are in active operation.

The project, which began its multi-phase development in 1996, comprises retail, office, residential and cultural properties.

Shanghai Xintiandi, a historic restoration zone successfully rejuvenated and reshaped into a lifestyle community, offers a wide selection of terrace restaurants and retail options, making it a must-visit destination in Shanghai. As the city's premier lifestyle destination, Shanghai Xintiandi continues to attract new tenants from across the world and has enjoyed steady rental growth since its opening in 2001. Shui On Plaza comprises an office tower with a retail podium. Xintiandi Style II, located south of Shanghai Xintiandi, is a fashion-themed shopping mall featuring many domestic fashion brands. It underwent an asset enhancement initiative ("AEI") in October 2021. The AEI was completed at the end of 2022 and Xintiandi Style II soft-opened in January 2023.

Lakeville is located in the heart of the Shanghai Xintiandi community, overlooking the lush greenery of Xintiandi and the scenic Taipingqiao Lake. After more than two decades of development, Lakeville has become synonymous with Shanghai's luxury lifestyle and stands as a distinctive community with authentic Shanghai charm and character. The development encompasses over 400,000 square meters of high-end residential complexes across its five phases. Currently under development, Lakeville VI, is a joint venture between Shui On Land and Shanghai Yongye. This newest addition will feature 180-meter high-rise residential tower alongside bespoke villas and townhouses capturing Shanghai's historical charm. Lakeville VI will not only transform the Puxi skyline but also set new standards in both product quality and service excellence.

5 Corporate Avenue and Hubindao are, respectively, a 52,000 sq.m. GFA Grade-A office building and a 27,000 sq.m. GFA retail component. The building was completed in 2013. The Group holds an effective interest of 44.55%.

CPIC Xintiandi Commercial Centre (Lots 123, 124 and 132) will be developed into a commercial complex comprising three towers of premium Grade-A office buildings with a total GFA of 193,000 sq.m., together with a street style all-weather shopping and leisure/entertainment area for a total GFA of 81,000 sq.m.. The Group has an effective interest of 25%. As of 31 December 2024, Lot 132 (CPIC Life Tower), with a total GFA of 30,000 sq.m. of office space, was completed and handed over to CPIC in 2023. Lot 123 (Tower 2) and Lot 124 (Tower 1) were completed in 2024. The retail podium of Lot 123 and Lot 124 are to be opened for operations in 2025.





Panlong Tiandi

Panlong Tiandi comprises residential sites, culture and recreation areas, restaurant and hotel developments, as well as parkland and open space for the public. The project is located in Shanghai's Qingpu District, which is part of the Hongqiao central business district ("CBD"). It is next to Panlong Station on Metro Line 17 and is just two train stops or 3 km away from the Hongqiao Transportation Hub.

For the residential segment, the Group has successfully developed, sold and delivered a total GFA of approximately 246,000 sq.m. over three phases from 2019 to 2024. Among these, the final phases of Jingyuan and Zhenyuan were launched in July 2022. We received over 2,000 subscriptions for the 571 units offered. A total of 1,062 customers entered the final ballot process, which was carried out in accordance with government policy with an entry score of 91.22—a record-high score for Shanghai at that time.

The retail facilities opened at the end of April 2023, marking one of Shanghai's most successful urban village transformations. Panlong Tiandi has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle, and community engagement. During the Spring Festival period of 2025, Panlong Tiandi attracted more than 970,000 visitors. Total footfall for 2024 exceeded 18 million.

The Panlong Tiandi project received a Gold Award for Best Future Mega Project in 2020, and in 2023, was recognised with a Gold Award for Best Retail Project and a Silver Award for Best Hospitality, Tourism and Leisure Project by the MIPIM Asia Awards.



Hong Shou Fang

Hong Shou Fang is an urban regeneration initiative located at the gateway of Changshou Road, the most popular commercial street in Shanghai's Putuo District. The site is only 2 km from Nanjing West Road, one of the most prominent CBDs in Shanghai, and is directly connected to Changshou Road Station, the interchange station of Metro Lines 7 and 13. The project encompasses a commercial complex with 48,000 sq.m. GFA designed for Grade-A office use and 14,000 sq.m. for entertainment, restaurants, and retail, achieved through the restoration of existing historic buildings. The project opened at the end of September 2023.

The project company became a joint venture project following the completion of the disposal of a 65% equity interest in January 2024.

Since its opening, Hong Shou Fang has become a local landmark and serves as our signature neighbourhood centre project. Shopper traffic has remained high, marking a significant milestone in our neighbourhood community product line-up.

PROJECT PROFILES

Riverville

Acquisition Date	December 2022
Property	Block 6, Pingliang Street, Yangpu District, Shanghai
Site Area	16,993.8 sq.m.
Total GFA	23,791.32 sq.m.
Land Usage	Residential
Terms	70 Years
Consideration	RMB2,469 Million
Group Interest	60%
Joint Venture Partner	Shanghai Yangshupu Real Estate Co., Ltd

This is a heritage preservation and development project that involves the development of a high-end low-density residential community, comprising 90 units with unit sizes ranging from 160 to 410 sq.m.. Situated in the Yangpu Riverside Zone, which is part of the “Central Activities Zone” outlined in the “Shanghai Master Plan 2017-2035”, the project is in close proximity to the Huangpu River and the inner-ring road elevated expressway, with convenient access to three metro lines. The Yangpu Riverside Zone is positioned as the pilot area for the development of the Internet industry and is currently home to the headquarters of several key players. Given its location and development potential, the development is expected to appeal to high-net-worth individuals and benefit from the anticipated rise in demand for high-end residential development. Pre-sale for this project was started in the second half of 2024. The Group holds a 60% interest in the development.



Ruihong Tiandi

Ruihong Tiandi is located within the inner ring of Shanghai in Hongkou District. This district, which has a long history and is currently undergoing urban renewal, enjoys excellent connectivity to the Lujiazui CBD and Pudong commercial district via Metro Lines 4, 8, 10 and 12, as well as the Xinjian and Dalian Road tunnels. Ruihong Tiandi is being revitalised to become a fashionable urban living destination, and will form an integrated community comprising office buildings, shopping centres, hotels, culture and entertainment spaces and residential properties.

For the residential segment, the Group has developed, sold and delivered a total GFA of approximately 1,113,000 sq.m., completed over ten phases between 1998 and 2023.

Ocean One (Lot 7) (Phase 9) has a total GFA of 161,000 sq.m. for residential use and 2,000 sq.m. for retail purposes. The final batch was launched in January 2022, and all towers have been completed and handed over to buyers. The Group holds a 49.5% effective interest in Lot 7.



Park Vera (Lot 167 A) (Phase 10) has a total GFA of 86,000 sq.m. for residential use and 1,000 sq.m. for retail purposes. The residential units were launched in June 2022 with all units sold and handed over to the buyers. The Group holds a 49.0% effective interest in Lot 167A.

Hall of the Sun and Ruihong Corporate Avenue (Ruihong Tiandi Lot 10), which have a total leasable GFA of 330,000 sq.m., form a commercial complex comprising two Grade-A office buildings and a shopping mall. Hall of the Sun opened in September 2021, while Ruihong Corporate Avenue welcomed its first tenant in October 2021. With a total leasable GFA of 185,000 sq.m., Hall of the Sun is home to over 100 food and beverage ("F&B") tenants and has attracted numerous brands to launch their first or flagship stores.

Hall of the Moon (Ruihong Tiandi Lot 3), which has a total leasable GFA of 64,000 sq.m., held its grand opening in June 2017. The development offers a range of attractive features, including cultural and entertainment experiences, as well as nightlife offerings.



Hall of the Stars (Ruihong Tiandi Lot 6) with a total leasable GFA of 19,000 sq.m. commenced operations in 2015 and is positioned as a parent-child experiential shopping street, offering an integrated mix of dining, retail, personal care and children-related services.

The Group holds a 49.5% effective interest in the commercial properties.

In 2022, the project won the Urban Land Institute ("ULI") Asia Award for Excellence.

PROJECT PROFILES

KIC Shanghai

KIC Shanghai is strategically located in Wujiaochang City Sub-centre, in Shanghai's Yangpu District. It is in the immediate vicinity of major universities and colleges and is well connected by Metro Line 10.

KIC Shanghai, with a total GFA of 501,000 sq.m., is an international knowledge community that aims to fully integrate an office park, college campus and residential neighbourhood, and inspire the spirit of "live-work-play-learn". After more than 20 years of development and operation, KIC has become not only a landmark of innovation, creativity and entrepreneurship, but also a symbol of dynamic culture, knowledge networking, healthy living and youth empowerment.

Over 500 pioneering start-ups, burgeoning unicorns and established industrial leaders, together with the adjacent universities, constitute a vibrant ecosystem. New ideas, new opportunities and new businesses all flourish here. Technology, media, telecommunications and professional services are the project's main industries. Notable corporations based in the community include Dell EMC, Ebao, VMware, SUNMI, ATRenew, Agora and AECOM.

The project's most vibrant commercial block, University Avenue, offers a wide selection of gourmet cuisines, cafés, bookshops, and retail stores. Since its grand opening in May 2024, the "University Avenue Weekend Limited-time Pedestrian Street" has attracted over one million visitors from near and far. Here, diverse events and displays bring people together, and elevate KIC's "Lifestyles of Health and Sustainability", bolstering its commercial vitality.

The Group has 46.33% effective interest in this project.

Inno KIC

Inno KIC is located in the Xinjiangwan CBD of Yangpu District, Shanghai, with an above-ground construction area of 45,800 sq.m..

Inno KIC is one of the several projects developed by SHUI ON WORKX, aimed at providing a complete lifecycle workspace solution for start-ups, as well as small,-medium and large enterprises. As of 31 December 2024, Block B with a GFA 19,000 sq.m., had been leased to Ping An, while the vice building of Block A with GFA 3,900 sq.m., had been leased to Atour Hotel. The project introduces a new business social platform that integrates work, entrepreneurship, learning, and leisure, covering the four major product modules: INNO SOCIAL, INNO STUDIO, INNO WORK and INNO OFFICE. It also includes a



service system built around the SHUI ON WORKX mobile application as well as INNO SPACE—a platform that provides incubation support and corporate policy consultancy services. The ultimate objective of this project is to create a diversified working ecosystem that promotes the growth and development of enterprises. The Group holds a 100% interest in this project.

The Hub

The Hub has a total GFA of 308,000 sq.m. and is strategically located at the heart of the Shanghai Hongqiao CBD. It is the only site that is directly connected to the Hongqiao Transportation Hub, providing convenient access to major transportation nodes such as the High-Speed Railway Station, Hongqiao International Airport Terminal 2 and three operating metro lines. In line with the country's call for a "high-quality and high standard opening up to the wider world", the Hongqiao hub is positioned to play an important and strategic role in connecting international and domestic markets, while driving the integrated development of the Yangtze River Delta.

Construction of The Hub commenced in 2011 and was completed in the second half of 2015. Today it stands as a new business, cultural and lifestyle landmark, comprising a large retail component, office space, and a performance and exhibition centre. The Hub therefore

enjoys a unique market positioning, through a seamless integration of shopping, F&B, entertainment and performing arts, as well as child and family-friendly experiences.

Four office towers with a total leasable GFA of 90,000 sq.m. house the regional headquarters and branch offices of leading companies in various industries. Since late 2014, tenants have included Fortune 500 companies such as Shell (Downstream Business Headquarters) and CRCC (East China Regional Headquarters).

The combined retail portfolio has a total GFA of 173,000 sq.m. including The Hub shopping mall, Xintiandi sunken plaza, office retail space and a performance centre. Tenants have been operating in the development since the second half of 2015. The shopping mall, which has a total GFA of 125,000 sq.m, accommodates over 200 shops and offers a strong tenant mix with many brands making their first appearance in China and/or Shanghai.

In 2021, The Hub project received the ULI Global Award for Excellence and also obtained the WELL Health-Safety Rating for Facility Operations and Management.





WUHAN

Wuhan Tiandi

The Wuhan Tiandi project has a total GFA of 1.37 million sq.m.. It is located in the centre of Hankou District, occupying a prime location on the Yangtze River waterfront, enjoying unparalleled views of the Yangtze River and the scenic Jiangtan Park.

The Wuhan Tiandi project is a large-scale, mixed-use redevelopment comprising two major sites.

Wuhan Xintiandi (Lot A4) commenced operations in 2007 and has since become a well-recognised landmark in Wuhan, striking a careful balance between preserving local historical architecture and injecting new commercial value.

The South Hall of HORIZON (Lots A1/A2/A3), which has a total GFA of 121,000 sq.m., commenced operations in September 2016. It is a one-stop shopping centre featuring nearly 200 global fashion brands that not only promotes cutting-edge, modern fashion, but also provides a wide range of products and services to consumers. The North Hall of HORIZON (Lot B4 retail), which has a total GFA of 71,000

sq.m., held its grand opening in November 2019. It is positioned as a family-oriented retail destination serving the residents of the Wuhan Tiandi Community and the surrounding neighbourhoods. The property is directly connected to the Light Rail Line 1.

The office towers at Lots A2, A3 and A5, which have a total GFA of 156,000 sq.m., have been sold to buyers since 2011. 1 Corporate Avenue, Wuhan is a high-rise office tower located within the Wuhan Tiandi Community, comprising a 73-storey Grade-A office building. It was completed in 2021 and is currently in the process of being leased.

Residential developments in Wuhan Tiandi have been well received by the market. As of 31 December 2024, the Group has successfully developed, sold and delivered a total GFA of approximately 694,000 sq.m..

La Riva III (Lot B12) with a total GFA of 71,000 sq.m. for residential use and 1,000 sq.m. for retail use was launched in May 2023. The pre-sale price was the highest ever achieved in Wuhan. As of 31 December 2024, most units have been delivered to buyers.

In 2021, the Wuhan Tiandi project received the ULI Asia Pacific Award for Excellence.



2023. As of 31 December 2024, 267 units with a total GFA of 38,800 sq.m. have been contracted. The Group holds a 50% interest in the development.

Wuhan Changjiang Tiandi

Acquisition Date	December 2021
Property	Land parcels A, B and C in Wuchang District, Wuhan
Site Area	339,148 sq.m.
Estimated GFA	1.17 million sq.m.
Land Usage	Mixed-use
Consideration	RMB17,031 million
Group Interest	50%
JV Partner	Wuhan Urban Construction Group

This land parcel is in the ancient city of Wuchang in Wuhan, facing the Yangtze River to the west and the Second Ring Road to the south, just 1.5 kilometres away from the Yellow Crane Pavilion. The site has rich ecological and historical value, being situated on the original grounds of the Wuhan Shipyard, and serves as a symbol of Wuhan's industrial and cultural heritage.

The project comprises a large-scale master planned district that includes the development of residential, office and commercial buildings, international schools, and other public facilities.

The site was acquired in December 2021 with an estimated saleable GFA of 751,000 sq.m. for residential use. Lot B4 has a total residential GFA of 135,000 sq.m., and sales of the first batch started in September

Innovation Tiandi

Innovation Tiandi, which has a total GFA of 1.27 million sq.m., is located in the central area of Optics Valley Central City. Optics Valley is located in Wuhan's East Lake High-tech Development Zone, which ranked third among China's 114 high-tech zones in 2016. It is also one of the country's National Innovation Demonstration and Free Trade Zones. Optics Valley Central City serves as the engine of the national innovation zone and is positioned to become a world-class innovation centre. The Group holds a 50% effective interest in the project.

Construction of the first-phase residential development (Lot R1), which has a total GFA of 122,000 sq.m. was completed. The second phase (Lot R5), which has a total GFA of 112,000 sq.m., was delivered to the buyers beginning in the first half of 2021. Lot R6, which has a total GFA of 36,000 sq.m., commenced pre-sale in November 2021 and all units were delivered to buyers in December 2022.

Construction for Lots R7 and R8, with a total saleable GFA of 73,000 sq.m., commenced in November 2021. Despite challenging market conditions, the project team employed a variety of strategies and achieved a top ranking for high-end product sales (units above 180 sq.m.) in the centre of Optics Valley. As of 31 December 2024, a total of 31,000 sq.m. of residential GFA had been delivered to customers, and 227 units with GFA 42,000 sq.m. had been contracted. The Group holds a 50% interest in the development.

PROJECT PROFILES

CHONGQING

Chongqing Tiandi is located in Yuzhong District, it is an urban renewal project with a total planned GFA of 2.8 million sq.m..

Chongqing Xintiandi is a 49,000 sq.m. historic restoration zone within Chongqing Tiandi, which has been successfully rejuvenated and transformed into a lifestyle community. Operational since 2010, Chongqing Xintiandi offers a wide selection of terrace restaurants and retail outlets.

Chongqing 2, 3-5 and 6-8 Corporate Avenue are commercial properties within the Chongqing Tiandi development. With a total office GFA of 351,000 sq.m., these properties were sold to buyers between 2011 and 2013. The commercial properties also comprise ancillary retail space of 79,000 sq.m., in which the Group continues to hold a 99% effective interest. These retail areas provide F&B, entertainment and other amenities to office tenants and residents in the neighbourhood.

Residential phases 1 to 9 within the development have been completed and progressively delivered to customers since 2008.

On 26 May 2017, the Group sold a 79.2% effective interest in the portfolio of 11 land parcels at Chongqing Tiandi (the "Chongqing Partnership Portfolio"). The transaction was completed on 29 June 2017. As a result, the Group now holds an effective interest of 19.8% in the partnership portfolio.

FOSHAN

The Lingnan Tiandi is strategically located in the old town centre of Chancheng District, Foshan's traditional downtown area and public transportation hub. The project enjoys good connectivity with two stations on the Guangzhou-Foshan metro line, both directly linked to the site. This includes the Guangfo Metro Line 1, which connects to Guangzhou, and an extended line that commenced operations in 2018, running from Xilang Station to Lijiao Station and passing through the Zhujiang river. The master plan of the Foshan Lingnan Tiandi project covers areas with a total GFA of 1.5 million sq.m..

The project is a large-scale urban redevelopment comprising office, retail, hotel, cultural facilities and residential complexes within an integrated community. It benefits from two national-grade heritage sites located within its community, which serve as the centerpieces



of Foshan's cultural heritage: Zumiao, an immaculately preserved ancient Taoist temple; and Donghuali, a well-known historic area.

Lingnan Tiandi is the historic restoration zone of the project and has a total GFA of 55,000 sq.m.. It has been restored in three phases and successfully reshaped into a lifestyle community, offering a wide selection of terrace restaurants and retail outlets. NOVA, located adjacent to Lingnan Xintiandi, sits at the centre of Chancheng District, with direct access to the Zumiao Metro Station. As a mixed-use commercial complex comprising office and retail space, it serves the urban middle-class population of the city with trendy shopping, entertainment and lifestyle offerings. Lingnan Tiandi Commercial Plaza is an office building that sits on top of NOVA. It caters primarily to domestic companies and small and medium enterprises, providing convenient office accommodation with easy accessibility.

Since 2011, the Group has developed and delivered residential units with a total GFA of approximately 389,000 sq.m..

In 2019, the Foshan project received the ULI Asia-Pacific Excellence Award and Global Excellence Award.

In 2024, Lingnan Tiandi became one of the National-Level Nighttime Cultural and Tourism Consumption Clusters.

NANJING

The Group also seizes opportunities to manage third-party assets, leveraging its expertise and introducing new asset management services to properties in prime locations that have preservation elements.

These asset management initiatives include Inno Zhujiang Lu, the first Asset Light project of the Group applying the INNO office concept. Inno Zhujiang Lu has a total GFA of 17,000 sq.m., under a long-term lease contract with a third-party landlord. The property was under pre-leasing in early 2018 and commenced operation at the end of 2018.

Baiziting, the Group's second Asset Light project in Nanjing, has a total GFA of 67,000 sq.m. of retail, culture and leisure space.

In February 2021, the Group's 50/50 joint venture with Grosvenor Group completed the acquisition of a mixed-use Grade-A landmark property, located at No. 1 Hanzhong Road, Qinhuai District, Nanjing, the capital city of Jiangsu Province. Nanjing IFC comprises a 45-storey Grade-A office tower, a 7-storey retail podium, and 181 underground parking lots. This acquisition is another milestone demonstrating the Group's growing presence in Nanjing.



BUSINESS REVIEW

Resilience under very challenging market conditions

The Group's prudent strategy demonstrated its resilience and ability to maintain profitability under a very challenging economic conditions in China and continuing structural adjustments in the country's property sector. In 2024, the Group recorded a profit of RMB810 million, with profit attributable to shareholders of RMB180 million. The sharp year-on-year profit decline was primarily driven by fewer residential property completions and reduced recognised property sales.

Quality commercial portfolio yielded solid rental growth

The Group's total rental and related income (including joint ventures and associates) increased 9% YoY to RMB3,547 million. The growth was mainly driven by additional contributions from **Panlong Tiandi** and **Hong Shou Fang**, both of which opened to great success in 2023 and which have continued to achieve high foot traffic and strong sales growth.



Relentless effort on capital management

In August 2024, the Group fully repaid USD493.5 million senior notes, reflecting its disciplined approach to financial health. As of 31 December 2024, the net gearing ratio was stable at 52%, while cash and bank deposits totalled RMB7,734 million. Subsequent to the year-end, USD490 million senior notes due on 3 March 2025 were also fully repaid. Thus, as of 27 March 2025, a total of RMB45.2 billion of offshore debts (gross amount) has been repaid since 2021. Considering the still fragile Chinese economy and property market, the Group is cautious about the near-term business outlook, as the overall growth of the property industry is likely to remain modest in the near future. The Group will continue to manage its finances prudently, review its strategies and adopt the optimal course to sustain long-term growth.

Global recognition for sustainability efforts

During 2024, our sustainability initiatives were recognised by various international organisations. Notably, we were honoured as one of the 15 companies in Mainland China to receive CDP's Climate Leadership Award for our outstanding climate governance and disclosure practices. Our inclusion in CDP's A-List underscored our leading position globally. Our comprehensive efforts on gender equality were acknowledged when we secured the first runner-up spot in the UN Women's Empowerment Principles 2024 Asia Pacific Award in the Transparency and Reporting category, validating our commitment to inclusivity.

Dividend declared

The Board has recommended a final dividend for the year of HKD0.036 per share (2023: HKD0.058 per share), which also represents the full-year dividend for 2024 amounted to HKD0.036 per share (2023: HKD0.09 per share).



BUSINESS REVIEW

Shui On Land is a leading urban solutions provider, principally engaged in property development, property investment and management across China, anchored by a prime city centre portfolio in Shanghai. As a pioneer in developing and operating sustainable premium urban communities, the Group specialises in urban regeneration, culture rejuvenation as well as the development and operation of communities that prioritise culture, social engagement, and sustainability, providing different urban solutions to the cities in China.

Shui On Xintiandi ("SXTD"), a wholly-owned subsidiary of Shui On Land, is a leading investor and manager of premium commercial properties in China with the mission to build vibrant, inclusive and sustainable communities. With businesses spanning the top-tier cities across China including Shanghai, Wuhan, Chongqing, Foshan and Nanjing, it is one of the largest private commercial property managers in Shanghai, with a total portfolio of 2.8 million sq.m. of office and retail premises under its management, including its flagship project Shanghai Xintiandi.



KEY ACHIEVEMENTS IN 2024

- During 2024, the Group recorded property sales of RMB4,356 million. Including joint ventures and associates, property sales totalled RMB7,962 million. Contracted sales were RMB15,055 million, comprising residential property sales of RMB14,553 million and commercial property sales of RMB502 million. Total locked-in sales, including those of joint ventures and associates, was RMB15,394 million for delivery and to be recognised in the financial year 2025 and beyond.
- Our commercial property portfolio has demonstrated its quality by delivering strong rental income growth. Including properties held by joint ventures and associates, total rental and related income increased by 9% year-on-year to RMB3,547 million in 2024, of which 77% was contributed by our portfolio in Shanghai. The increase in the year was mainly arising from contributions from two new openings in 2023, namely Panlong Tiandi and Hong Shou Fang. Both of these urban regeneration projects have attracted extensive social media coverage since their openings and have in turn attracted visitors from all over China.
- In August 2024, the Group repaid an aggregate amount of USD493.5 million, 6.15% senior notes. Subsequent to year-end in March 2025, we have also repaid an aggregate amount of USD490 million, 5.50% senior notes. This demonstrates the Group's commitment to fulfilling its financial obligations.
- In September 2024, the Group successfully launched the first phase of Lakeville VI in Shanghai. A total of 108 units, representing a total GFA of 57,000 sq.m., were launched and fully subscribed on the launch day. Lakeville VI is the latest addition to the Lakeville residential series in the Shanghai Xintiandi community in Shanghai's Huangpu District. It is the last residential plot facing Taipingqiao Lake and upon completion will be the tallest residential building and landmark in Puxi. The strong interest in the project demonstrated consumers' confidence in Shui On Land and in the value of the Lakeville brand.
- In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024.
- With regards to sustainability, as part of our ongoing efforts to address climate change, Shanghai Xintiandi has achieved 100% renewable electricity for all its operational properties since 1 July 2024. This marks a significant milestone, being the first integrated commercial complex in Shanghai's city core to be entirely powered by renewable electricity. To build and support sustainable communities, we have also strengthened our sustainability engagement with tenants by achieving record Green Pledge participation rates of 99.8% among food and beverage tenants, 97.7% for retail tenants and 92.9% across office tenants.



BUSINESS REVIEW

PROPERTY SALES PERFORMANCE

Recognised Property Sales

For 2024, total recognised property sales were RMB7,962 million (after deduction of applicable taxes). The ASP excluding car parks was RMB25,500 per sq.m.. The decline in net profit mainly resulted from a lower level of residential completion during the year.

The table below summarises by project the recognised property sales (stated after the deduction of applicable taxes) for 2024 and 2023:

Project	2024			2023		
	Sales revenue	GFA sold	ASP ¹	Sales revenue	GFA sold	ASP ¹
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Shanghai Taipingqiao						
Lakeville Ville V (Lot 118)	28	200	155,000	105	700	164,300
Ruihong Tiandi						
Residential (Lot 7)	–	–	–	17,012	161,200	115,000
Residential (Lot 167A)	–	–	–	9,427	85,800	119,800
Retail (Lot 7)	106	2,200	52,300	–	–	–
Retail (Lot 167A)	16	200	85,000	–	–	–
Panlong Tiandi						
Residential	46	600	83,300	5,312	85,700	67,900
Hotel	95	4,800	21,700	–	–	–
Wuhan Tiandi						
Residential	4,100	70,500	63,900	–	–	–
Retail	34	700	54,300	–	–	–
Wuhan Innovation Tiandi						
Residential	244	13,700	19,000	404	18,600	23,700
Retail	1	100	13,300	–	–	–
Office	2,291	180,700	13,800	269	22,600	13,000
Lingnan Tiandi						
Retail	2	1,500	1,300	–	–	–
Chongqing Tiandi²						
Residential	725	43,100	22,400	3,811	165,200	25,100
Retail/Office (Loft)	141	17,100	9,000	1,112	106,100	11,400
SUB-TOTAL	7,829	335,400	25,500	37,452	645,900	63,200
Carparks²	133			1,113		
GRAND TOTAL	7,962	335,400	26,000	38,565	645,900	65,100
Recognised as:						
– property sales in revenue of the Group	4,356			5,898		
– revenue of associates	989			22,367		
– revenue of joint ventures	2,617			10,300		
GRAND TOTAL	7,962			38,565		

Notes:

- 1 The calculation of ASP per sq.m. is based on gross sales revenue before deducting applicable taxes.
- 2 ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Residential of RMB725 million, retail space of RMB141 million, and carparks sales of RMB13 million were contributed by the Chongqing Tiandi partnership portfolio and were recognised as revenue of associates in 2024. The Group holds a 19.8% interest in the partnership portfolio.

Contracted Property Sales, Subscribed Sales, and Locked-in Sales

The Group's contracted property sales for 2024 increased by 32% compared with those for the corresponding period in 2023 to RMB15,055 million, with residential property sales accounting for 97% and the remainder contributed by the sale of commercial units. The increase was due to the strong sales performance of Shanghai Taipingqiao Lakeville VI (Lot 122). We target the next launch, comprising villas and townhouses, in late 2025 and beyond (subject to construction progress and the timing of government pre-sale approval). The average ASP for our residential property sales was RMB134,900 per sq.m. in 2024, compared to RMB56,700 per sq.m. in 2023, as a higher proportion of contracted property sales was generated from higher ASP projects in Shanghai.

As of 31 December 2024:

- i) total subscribed sales of RMB795 million were subject to formal sales and purchase agreements in the coming months.
- ii) total locked-in sales of RMB15,394 million were recorded and available for delivery to customers and to be recognised in the Group's financial results in 2025 and beyond.

The table below provides an analysis by project of contracted sales (stated before the deduction of applicable taxes) for 2024 and 2023:

Project	2024			2023		
	Contracted amount	GFA sold	ASP	Contracted amount	GFA sold	ASP
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Residential property sales:						
Shanghai Taipingqiao (Lot 118)	–	–	–	146	900	162,200
Shanghai Taipingqiao (Lot 122)	11,979	57,000	210,200	–	–	–
Ruihong Tiandi (Lot 7) ¹	–	–	–	6 ³	–	–
Ruihong Tiandi (Lot 167A) ²	–	–	–	(16) ³	–	–
Riverville	1,298	6,300	206,000	–	–	–
Panlong Tiandi	50	600	83,300	205	2,800	73,200
Wuhan Tiandi	190	3,600	52,800	4,062	62,700	64,800
Wuhan Changjiang Tiandi	553	18,000	30,700	706	20,500	34,400
Wuhan Innovation Tiandi	389	22,100	17,600	488	20,600	23,700
Chongqing Tiandi ⁴	5	300	20,300	400	19,600	24,900
Carparks	89	–	–	1,211	–	–
SUB-TOTAL	14,553	107,900	134,900	7,208	127,100	56,700
Commercial property sales:						
Ruihong Tiandi (Lot 7) ¹	17	200	85,000	–	–	–
Ruihong Tiandi (Lot 167A) ²	116	2,200	52,700	–	–	–
Panlong Tiandi (Hotel)	101	4,800	21,000	–	–	–
Wuhan Tiandi	–	–	–	37	800	46,300
Wuhan Changjiang Tiandi	14	300	46,700	–	–	–
Wuhan Innovation Tiandi	132	9,500	13,900	2,497	180,700	13,800
Chongqing Tiandi ⁴	–	–	–	–	–	–
Office (Loft)	115	15,800	7,300	328	25,600	12,800
Retail	–	–	–	120	16,700	7,200
Lingnan Tiandi	2	1,500	1,300	–	–	–
Carparks	5	–	–	–	–	–
SUB-TOTAL	502	34,300	14,700	2,982	223,800	13,300
TOTAL PROPERTY SALES	15,055	142,200	105,900	10,190	350,900	29,000
Other Assets Disposal:						
Hong Shou Fang	–	–	–	1,206	–	–
GRAND TOTAL	15,055	142,200		11,396	350,900	

Notes:

- The Group holds 49.5% of the property.
- The Group holds 49% of the property.
- Represents the difference between the planned pre-sale GFA and the actual GFA.
- ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Chongqing Tiandi partnership portfolio is a project developed by associates of the Group. The Group holds a 19.8% interest in the partnership portfolio.

BUSINESS REVIEW

Residential GFA Available for Sale and Pre-sale in 2025 and Beyond

The Group has approximately 176,300 sq.m. of residential GFA spanning seven projects available for sale and pre-sale in 2025 and beyond, as summarised below:

Project	Product	Available for sale and pre-sale in 2025 and beyond		
		GFA in sq.m.	Group's interests	Attributable GFA in sq.m.
Shanghai Taipingqiao Lot 118	High-rises	2,100	99%	2,100
Shanghai Taipingqiao Lot 122	Townhouses	8,700	50%	4,400
Riverville	Townhouses	15,100	60%	9,100
Wuhan Tiandi	High-rises	21,400	100%	21,400
Wuhan Innovation Tiandi	High-rises	31,200	50%	15,600
Wuhan Changjiang Tiandi	High-rises	96,600	50%	48,300
Chongqing Tiandi	High-rises	1,200	19.80%	200
TOTAL		176,300		101,100

By way of a cautionary note, the actual market launch dates depend on, and will be affected by, factors such as construction progress, changes in the market environment, and government regulations.

PROPERTY DEVELOPMENT

Residential Development Saleable Resources as of 31 December 2024

Project	Approximate Saleable Residential GFA	Estimated Gross Saleable Resource	The Group's Interests	Estimated Attributable Sales
	sq.m.	RMB' billion		RMB' billion
Shanghai Taipingqiao Lot 118	2,100	0.4	99%	0.4
Shanghai Taipingqiao Lot 122	23,600	7.5	50%	3.7
Riverville	15,100	3.1	60%	1.8
SHANGHAI SUB-TOTAL	40,800	11.0		5.9
Wuhan Changjiang Tiandi ²	712,900	35.5	50%	17.7
Wuhan Tiandi	35,800	1.8	100%	1.8
Wuhan Innovation Tiandi	129,400	2.9	50%	1.5
Chongqing Tiandi	1,200	0.03	19.80%	0.01
OTHER CITIES SUB-TOTAL	879,300	40.2		21.0
GRAND TOTAL	920,100	51.2		26.9

Notes:

- 1 This table represents saleable resources not yet recorded as contracted sales as of 31 December 2024.
- 2 Figures are preliminary estimates subject to further revision of the project plan.

Residential Properties under Development

Shanghai Taipingqiao – Lot 122 was acquired in June 2021 with a total GFA of 87,000 sq.m. (including a GFA of 6,000 sq.m. underground space) for residential use and a GFA of 18,000 sq.m. (including a GFA of 3,600 sq.m. underground space) for retail shops. In September 2024, the Company successfully launched the first phase. A total of 108 units, representing a total GFA of 57,000 sq.m., were launched and fully subscribed on the launch day. The Group holds a 50% interest in the development.

Riverville – The site was acquired in December 2022 with a total GFA of 30,000 sq.m. (including a GFA of 8,500 sq.m. underground space) for residential use. It is a heritage preservation and development project that involves the development of a high-end, low-density residential community comprising 90 units with unit sizes ranging from 160 – 410 sq.m.. Pre-sales for this project started in the second half ("2H") of 2024. As of 31 December 2024, a total GFA of 6,300 sq.m. has been contracted with a sales amount of RMB1,298 million. The project is planned for delivery in 2H 2025. The Group holds a 60% interest in the development.

Wuhan Changjiang Tiandi – The site was acquired in December 2021 with an estimated saleable GFA of 751,000 sq.m. for residential use. Lot B4 has a total residential GFA of 135,000 sq.m., and sales of the first batch started in September 2023. As of 31 December 2024, 267 units with a total GFA of 38,800 sq.m. have been contracted. The Group holds a 50% interest in the development.

Wuhan Tiandi – La Riva III (Lot B12) with a total GFA of 71,000 sq.m. for residential and 1,000 sq.m. for retail was launched in May 2023. The pre-sale price was the highest ever achieved in Wuhan. As of 31 December 2024, most of units have been delivered to the buyers.

Wuhan Innovation Tiandi – The site was acquired in 2017. The construction for Lots R7 and R8, with a total saleable GFA of 73,000 sq.m., commenced in November 2021. Despite the challenging market, by using a variety of strategies, the project team was able to rank top for sales of high-end products (above 180 sq.m.) in the centre of Optics Valley. As of 31 December 2024, a total of 31,000 sq.m. of residential GFA has been delivered to customers, and 227 units with GFA 42,000 sq.m. contracted. The Group holds a 50% interest in the development.

Commercial Properties under Development and for Future Development as of 31 December 2024

Project	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	The Group's interests	Attributable GFA sq.m.
Shanghai Taipingqiao Lot 122	–	18,000	18,000	50.00%	9,000
SHANGHAI SUB-TOTAL	–	18,000	18,000		9,000
Wuhan Tiandi	70,000	3,000	73,000	100.00%	73,000
Wuhan Innovation Tiandi	252,000	337,000	589,000	50.00%	294,500
Wuhan Changjiang Tiandi	56,000	232,000+30,000 ¹	318,000	50.00%	159,000
Lingnan Tiandi	450,000	107,000+80,000 ¹	637,000	100.00%	637,000
Chongqing Tiandi	228,000	65,000+25,000 ¹	318,000	19.80%	63,000
OTHER CITIES SUB-TOTAL	1,056,000	879,000	1,935,000		1,226,500
GRAND TOTAL	1,056,000	897,000	1,953,000		1,235,500

Note:

¹ Hotel use.

INVESTMENT PROPERTIES

Valuation of Investment Properties

As of 31 December 2024, the carrying value of the Group's investment properties at valuation (excluding hotels for operation and self-use properties) was RMB100,283 million, with a total GFA of 2,753,000 sq.m.. The properties located in Shanghai, Wuhan, Foshan, Nanjing, and Chongqing, respectively, contributed 79%, 9%, 6%, 3% and 3% of the carrying value.

The table below summarises the carrying value of the Group's investment properties at valuation as of 31 December 2024, together with the change in fair value for 2024:

Project	Leasable GFA sq.m.	Increase/(decrease) in fair value for 2024 RMB'million	Carrying value as of 31 December 2024 RMB'million	Fair value gain/(loss) to carrying value %	Attributable carrying value to the Group RMB'million
COMPLETED INVESTMENT PROPERTIES AT VALUATION					
Shanghai Taipingqiao					
Shanghai Xintiandi and Xintiandi Style II	80,000	93	8,353	1.1%	8,333
Shui On Plaza and Xintiandi Plaza	53,000	(72)	3,960	(1.8%)	3,208
5 Corporate Avenue, Hubindao	79,000	(51)	6,659	(0.8%)	2,967
CPIC Xintiandi Commercial Centre	274,000	49	21,454	0.2%	5,364
Ruihong Tiandi	441,000	(352)	15,414	(2.3%)	7,630
The Hub	263,000	(94)	8,773	(1.1%)	8,773
KIC Shanghai	253,000	35	8,671	0.4%	4,017
Inno KIC	45,000	(5)	1,472	(0.3%)	1,472
Panlong Tiandi	42,000	79	1,387	5.7%	1,110
Hong Shou Fang	62,000	68	2,673	2.5%	936
Wuhan Tiandi	401,000	(117)	9,052	(1.3%)	9,052
Lingnan Tiandi	158,000	(76)	4,402	(1.7%)	4,402
Chongqing Tiandi	128,000	(16)	1,524	(1.0%)	1,509
Chongqing In City	98,000	–	1,664	–	329
Nanjing IFC	100,000	(100)	2,862	(3.5%)	1,431
SUB-TOTAL	2,477,000¹	(559)	98,320	(0.6%)	60,533
INVESTMENT PROPERTIES UNDER DEVELOPMENT AT VALUATION					
Foshan Lot A	254,000	(21)	1,850	(1.1%)	1,850
SUB-TOTAL	254,000	(21)	1,850	(1.1%)	1,850
INVESTMENT PROPERTIES – SUBLEASE OF RIGHT-OF-USE ASSETS					
Nanjing Inno Zhujiang Lu	17,000	(10)	64	(15.6%)	64
Panlong Tiandi (Hotel)	5,000	(3)	49	(6.1%)	39
SUB-TOTAL	22,000	(13)	113	(11.5%)	103
GRAND TOTAL	2,753,000	(593)	100,283	(0.6%)	62,486
GRAND TOTAL (excluding associates and joint ventures)	1,446,000	(207)	40,886	(0.5%)	39,812

Note:

¹ Self-use properties (total GFA 11,000 sq.m. with carrying value of RMB656 million) are classified as property and equipment in the consolidated statement of financial position, and the respective leasable GFA and carrying value are excluded from this table.

SXTD: the Group's Flagship Commercial Business Unit

SXTD invests in and manages premium commercial properties in China. With over two decades of experience in investing and operating in China, we have built landmark communities over the years including our flagship project Shanghai Xintiandi. With high quality services and constant innovation, we aim to build landmark communities merge culture, heritage and lifestyle.

Commercial Properties Portfolio

Our retail portfolio occupancy remained stable, averaging 94% as of 31 December 2024. Overall sales and shopper traffic in our portfolio for 2024 increased by 8% and 12%, respectively. Rental reversion, however, has turned negative as the market is experiencing lower consumption demand and a large retail supply.

The office market has been extremely challenging, given the economic slowdown and oversupply. Many businesses have slowed their activities or suspended their expansion or relocation plans. Occupancy of our more mature office properties nonetheless remained stable, with an average occupancy rate of 91%. This bears testimony to our high-quality assets and services, as well as the prime locations of our properties. Rental reversion was negative as of 31 December 2024 given the fierce competition and macro-economic challenges. Despite the difficult market, the overall occupancy for the office portfolio improved from 66% as of 31 December 2023 to 69% as of 31 December 2024.

Rental and related income for the Group increased by 2% to RMB2,456 million in 2024 compared to RMB2,398 million in 2023. The growth was primarily driven by additional rental contributions resulting from the successful opening of Panlong Tiandi.

Including rental and related income from joint venture and associate properties, the total rental and related income increased by 9% year-on-year to RMB3,547 million in 2024, of which 77% was contributed by the portfolio located in Shanghai, with the remainder from other cities in China.

The table below provides an analysis of the rental and related income and occupancy rates of the Group's investment properties:

Project	Product	Leasable GFA	Rental & related income RMB'million		Changes	Occupancy rate		Changes
		sq.m.	2024	2023	%	31 Dec 2024	31 Dec 2023	ppt
Shanghai Taipingqiao								
Shanghai Xintiandi	Office/ Retail	54,000	488	457	7%	96%	97%	(1)
Xintiandi Style II	Retail	26,000	74	73	1%	94%	91%	3
Shui On Plaza & Xintiandi Plaza	Office/ Retail	53,000	146	157	(7%)	98%	91%	7
5 Corporate Avenue, Hubindao	Office/ Retail	79,000	234	237	(1%)	93%	93%	–
CPIC Xintiandi Commercial Centre								
Lot 132	Office	30,000	110	48	129%	100%	100%	–
Lot 123/124	Office	163,000	49	–	n/a	36%	–	n/a
Ruihong Tiandi								
Hall of the Moon, Hall of the Stars, The Palette, Hall of the Sun	Retail	296,000	339	348	(3%)	90%	86%	4
Ruihong Corporate Avenue	Office	145,000	114	84	36%	58%	39%	19
The Hub	Office/ Retail	263,000	448	427	5%	89%	92%	(3)
KIC Shanghai	Office/ Retail	253,000	479	476	1%	93%	95%	(2)
Inno KIC	Office/ Retail	45,000	63	65	(3%)	91%	93%	(2)
Panlong Tiandi	Retail	42,000	115	70	64%	96%	87%	9
Hong Shou Fang ¹	Office/ Retail	62,000	82	21 ¹	290%	81%	37%	44
Wuhan Tiandi	Office/ Retail	401,000	376	366	3%	71%	63%	8
Lingnan Tiandi	Office/ Retail	158,000	223	219	2%	94%	93%	1
Chongqing Tiandi	Retail	128,000	71	67	6%	96%	97%	(1)
Nanjing IFC	Office/ Retail	100,000	136	128	6%	90%	81%	9
GRAND TOTAL		2,298,000 ²	3,547	3,243	9%			

Notes:

1 Hong Shou Fang office with 48,000 sq.m. GFA started to lease in Q3 2023. In December 2023, the Group disposed of a 65% equity interest in this project. The transaction was completed in January 2024.

2 A total GFA of 11,000 sq.m. located at Shanghai Shui On Plaza, Wuhan Tiandi, and Lingnan Tiandi was occupied by the Group and was excluded from the above table.

Real Estate Asset Management

To complement our Asset-Light strategy, we also work as a trusted partner to other asset owners and provide real estate asset management services for commercial projects. The real estate asset management services include but are not limited to feasibility studies, tenancy positioning, leasing, marketing and branding, as well as account and finance management. As of 31 December 2024, our asset management projects included 5 Corporate Avenue and Hubindao, Nanjing IFC, commercial properties in the Ruihong Tiandi, CPIC Xintiandi Commercial Centre, Hong Shou Fang, KIC Shanghai and Nanjing Inno Zhujiang Lu. The total valuation of projects we manage amounted to RMB57.8 billion as of 31 December 2024, with a total GFA of 1,226,000 sq.m.. We will continue to extend our services and look for more opportunities to work with other organisations, utilising our experience and knowledge to build sustainable premium communities.

Our Projects and Latest Updates

Shanghai Taipingqiao:

Shanghai Taipingqiao is a large-scale, flagship community project in the heart of Shanghai. It was developed to preserve the region's historical architecture while transforming the area to meet urban development needs. Located in Huangpu District, the project is connected by Shanghai Metro Lines 1, 8, 10, 13 and 14, fronting the popular Huaihai Middle Road business district. The Group began the multi-phase development of Shanghai Taipingqiao in 1996, comprising various commercial, office, and residential plots, including Shanghai Xintiandi, Xintiandi Style II, Shui On Plaza, Xintiandi Plaza, 5 Corporate Avenue, Hubindao and CPIC Xintiandi Commercial Centre. Our flagship project, Shanghai Xintiandi, is at the heart of the Shanghai Taipingqiao. Featuring the preservation of cultural heritage, Shanghai Xintiandi has been successfully established as an iconic landmark that offers a carefully blended experience of old Shanghai culture and modern lifestyles that has made the community a premier lifestyle destination for both residents of Shanghai and visitors. Not only does Shanghai Xintiandi continue to attract consumers and new tenants from across the world, it also serves as a popular venue for hosting international festivals and local events, such as Shanghai Fashion Week and the XINTIANDI Performing Arts Festival.

An Asset Enhancement Initiative was completed for Xintiandi Style II, which opened in January 2023 with a brand-new concept and positioning to cater to the lifestyle-focused preferences of the growing young premium clientele. Occupancy of the property has reached 94% as of 31 December 2024.

The CPIC Xintiandi Commercial Centre is a commercial complex with three towers of premium Grade A office buildings and a street style all-weather shopping and leisure/entertainment area. The project includes three lots, namely Lot 123, Lot 124, and Lot 132, with a total GFA of 274,000 sq.m.. Lot 132 (CPIC Life Tower), with a total GFA of 30,000 sq.m. of office, was completed and handed over to CPIC in 2023. Lot 123 (Tower 2) and Lot 124 (Tower 1) were completed in 2024. The retail podium of Lot 123 and Lot 124 are to be opened for operations in 2025.

The Hub:

Located at the heart of the Hongqiao CBD, The Hub is the only commercial complex that is directly connected to the Hongqiao Transportation Hub, offering convenient access to major transportation nodes such as the Shanghai High-Speed Rail Terminal, Shanghai Hongqiao International Airport, five underground metro lines, the long-haul bus station, and the future maglev terminal. The Hub features four office towers, a Xintiandi commercial zone, a shopping facility, and a performance and exhibition centre. Strategically located in Hongqiao CBD, the gateway to the Yangtze River Delta region, The Hub has attracted regional headquarters and branch offices of leading companies from various industries, including Fortune 500 companies.

Ruihong Tiandi:

Ruihong Tiandi is a mixed-use, large-scale masterplan community project covering retail, office, entertainment, cultural and residential space. The property is located in the Hongkou district of Shanghai, in close proximity to several leading universities and the CBD. It enjoys excellent connectivity to Lujiazui CBD and Pudong commercial district via four metro lines (Metro Lines 4, 8, 10 and 12) and two tunnels, Xinjian Road Tunnel and Dalian Road Tunnel. Ruihong Tiandi comprises various commercial and office properties, including the Hall of the Moon, the Hall of the Stars, The Palette, the Hall of the Sun, and Ruihong Corporate Avenue. Ruihong Tiandi is being revitalised to become a fashionable urban living destination.

Panlong Tiandi:

Panlong Tiandi comprises residential sites, culture and recreation areas, restaurant and hotel development, as well as greenery and open space for the public. The project is located in Shanghai's Qingpu District, part of the Hongqiao CBD. It is next to Panlong Station on Shanghai Metro Line 17 and just two train stops or 3 km away from the Hongqiao Transportation Hub. The Panlong Tiandi project won the Gold Award for Best Futura Mega Project in 2020 given by MIPIM Asia Awards. The retail facilities were opened at the end of April 2023, and it is one of Shanghai's most successful urban village transformations. Panlong Tiandi has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle, and community engagement. During the Spring Festival period of 2025, Panlong Tiandi attracted more than 970,000 visitors. Total foot traffic for 2024 exceeded 18 million.

KIC Shanghai:

KIC Shanghai is a mixed-use technology innovation and knowledge community strategically located in Wujiaochang in Yangpu District, in the immediate vicinity of major universities and colleges, including Fudan University, Shanghai University of Finance and Economics, and Tongji University. The project combines office space with research and development, education, training, investment, and incubator services, tailored to the needs of tenants in knowledge-based industries. In addition to office space and services, KIC comprises retail and mixed-use areas, including University Avenue and the KIC Village Zone, which offer the community a wide selection of gourmet cuisine, coffee shops, bookstores, galleries, and creative retail stores. Through the KIC project, we have facilitated the transformation of the Yangpu District from an industrial and manufacturing area into a community for knowledge and innovation. The KIC project has thus been regarded as a landmark of innovation and entrepreneurship in Shanghai. In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.

Inno KIC:

Located adjacent to KIC Shanghai in the Xinjiangwan CBD of Yangpu District, Inno KIC is one of the first projects created by SHUI ON WORKX, our multiform office solution aiming to provide a complete life-cycle workspace solution for start-ups as well as small-to-medium and large enterprises. The complex introduces a new business social platform that integrates work, entrepreneurship, learning, and leisure, with the aim of delivering flexible business solutions and providing a diversified working ecosystem that promotes the growth and development of enterprises.

Hong Shou Fang:

The Hong Shou Fang project is an urban regeneration project located at the gateway of Changshou Road, the most popular commercial street in Shanghai's Putuo District. The site is only 2 km from Nanjing West Road, one of the most prominent CBDs in Shanghai, and is directly linked to Changshou Road Station, the interchange station of Metro Lines 7 and 13. The project encompasses a commercial complex with 48,000 sq.m. GFA of Grade A office and 14,000 sq.m. of entertainment, restaurants, and retail area achieved through the restoration of the existing historic buildings. The project was opened at the end of September 2023. The project company has become a joint venture project after the completion of the disposal of 65% equity interest in January 2024.

Since its opening, Hong Shou Fang has become a local landmark as our signature project of neighbourhood centre. Shopper traffic has remained high and it has marked a significant milestone in our neighbourhood community product line-up.

Wuhan Tiandi:

Wuhan Tiandi is a large-scale, mixed-use community project comprising office, retail, food and beverage, and entertainment facilities. It sits in the city centre of Hankou District, occupying a prime location on the Yangtze River waterfront, providing unparalleled views of the Yangtze River and the scenic Jiangtan Park.

Following a successful repositioning, we have optimised the tenant mix and the food and beverage offerings of its retail facilities, introducing new tenants focusing on young premium customers. It has become a retail and social destination in Wuhan that offers lifestyle experiences to this clientele.

The project also includes 1 Corporate Avenue, a high-rise Grade A office building spanning 73 stories completed in September 2021.

Lingnan Tiandi:

Lingnan Tiandi is a large-scale, integrated urban regeneration community comprising retail, office, hotel, cultural facilities, and residential complexes. Strategically located in the old town centre of the central Chancheng District, the project enjoys good connectivity, being the location of two stations on the Guangzhou-Foshan metro line. The project preserves traditional Lingnan-style architecture, while blending cosmopolitan elements and modern facilities into a lifestyle destination, offering the city's residents and tourists a wide selection of terrace restaurants and retail options.

Chongqing Tiandi:

Chongqing Tiandi is situated on the south bank of the Jialing River in the Yuzhong District of Chongqing, one of the most populous cities in the world and the leading industrial and commercial hub of southwest China. It has a unique landscape and creates a commercial and residential community around a man-made lake within the surrounding hillsides.

The project has recorded stable rental growth and has reached 96% occupancy as of 31 December 2024, following a repositioning targeting a young premium clientele. It offers a wide range of retail, food, and beverages as well as entertainment facilities to office tenants and residents in the neighbourhood.

Nanjing IFC:

We acquired a mixed-use Grade A landmark property in Nanjing with Grosvenor Group on a 50/50 basis in February 2021. Nanjing IFC is predominantly an office building occupied by a diverse mix of high-quality tenants, including MetLife, AIA, and KFC.

STRATEGY GOING FORWARD

Since 2016, the Group has implemented an Asset-Light strategy to propel our business in a more effective and productive way. With the Chinese economy and property sector undergoing unprecedented challenges in recent years, our Asset-Light strategy has provided the Group a solid anchor in a highly volatile market. The strategy serves multipronged purposes: i) to enable the Group to expand its funding sources with different partners; ii) to enable us to grow our brands and products more efficiently and iii) to derisk financially in the current difficult market conditions. The year 2024 marked an important milestone for our Asset-Light strategy. We entered into two new large-scale, mixed-use development and management contracts. We are collaborating with Yong Ye Enterprise (Group), a state-owned company, on high-end residences under our Lakeville brand in the Shanghai Xintiandi Community, as well as with the Shanghai Fengxian District Government on an urban village renovation project. In each case, the Group will provide professional management for the development, marketing, asset management, and operation of the projects.

Going forward we will continue to focus on our Asset-Light strategy for business expansion, actively exploring innovations in our business model that will allow us to exploit our brand reputation and management expertise further. In the near term, the Group's highest priority will be liquidity management and financial stability. Secondly, we will leverage our brands (namely, the community brand "Xintiandi" and luxury residential brand "Lakeville") to build a leadership position in Shanghai and gradually expand in the Greater Bay Area. Thirdly, we will continue to adopt a balanced strategy between property development and asset management. In the longer term, our goal is to become the "best in class" leader in selective markets and in the various products we create.



As of 31 December 2024, the Group's landbank was 8.0 million sq.m. (comprising 5.8 million sq.m. of leasable and saleable area and 2.2 million sq.m. for clubhouses, car parking spaces, and other facilities) spanning 14 development projects located in the prime areas of five major cities in China, namely Shanghai, Nanjing, Wuhan, Foshan, and Chongqing. The leasable and saleable GFA attributable to the Group was 3.7 million sq.m.. Of the total leasable and saleable GFA of 5.8 million sq.m., approximately 2.6 million sq.m. was completed and held for sale and/or investment, approximately 0.9 million sq.m. was under development, and the remaining 2.3 million sq.m. was held for future development.

The Group's total landbank as of 31 December 2024, including that of its joint ventures and associates, is summarised below:

Project	Approximate/Estimated leasable and saleable GFA				Sub-total	Clubhouse, carpark, and other facilities	Total
	Residential	Office	Retail	Hotel/ serviced apartments			
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
COMPLETED PROPERTIES:							
Shanghai Taipingqiao ¹	2,000	281,000	212,000	–	495,000	201,000	696,000
Ruihong Tiandi ²	–	145,000	298,000	–	443,000	265,000	708,000
KIC Shanghai ³	–	164,000	67,000	22,000	253,000	142,000	395,000
The Hub	–	90,000	173,000	–	263,000	72,000	335,000
Panlong Tiandi	–	–	42,000	–	42,000	78,000	120,000
Hong Shou Fang	–	48,000	14,000	–	62,000	21,000	83,000
Inno KIC	–	41,000	4,000	–	45,000	18,000	63,000
Wuhan Tiandi	–	165,000	238,000	–	403,000	300,000	703,000
Wuhan Innovation Tiandi	42,000	29,000	15,000	–	86,000	225,000	311,000
Lingnan Tiandi	–	16,000	157,000	43,000	216,000	63,000	279,000
Chongqing Tiandi ⁴	–	8,000	226,000	–	234,000	478,000	712,000
Nanjing IFC	–	72,000	28,000	–	100,000	18,000	118,000
SUB-TOTAL	44,000	1,059,000	1,474,000	65,000	2,642,000	1,881,000	4,523,000
PROPERTIES UNDER DEVELOPMENT:							
Shanghai Taipingqiao ⁵	87,000	–	18,000	–	105,000	61,000	166,000
Ruihong Tiandi ⁶	–	107,000	12,000	–	119,000	38,000	157,000
Riverville	30,000	–	–	–	30,000	22,000	52,000
Wuhan Innovation Tiandi	–	70,000	50,000	–	120,000	75,000	195,000
Wuhan Changjiang Tiandi	221,000	–	7,000	–	228,000	63,000	291,000
Chongqing Tiandi	28,000	228,000	–	25,000	281,000	47,000	328,000
SUB-TOTAL	366,000	405,000	87,000	25,000	883,000	306,000	1,189,000
PROPERTIES FOR FUTURE DEVELOPMENT:							
Wuhan Tiandi	39,000	70,000	3,000	–	112,000	–	112,000
Wuhan Innovation Tiandi	98,000	182,000	287,000	–	567,000	–	567,000
Wuhan Changjiang Tiandi	563,000	56,000	225,000	30,000	874,000	42,000	916,000
Lingnan Tiandi	28,000	450,000	107,000	80,000	665,000	–	665,000
Chongqing Tiandi	–	–	65,000	–	65,000	–	65,000
SUB-TOTAL	728,000	758,000	687,000	110,000	2,283,000	42,000	2,325,000
TOTAL LANDBANK GFA	1,138,000	2,222,000	2,248,000	200,000	5,808,000	2,229,000	8,037,000

Notes:

- The Group has 99.00% interests in all the remaining lots, except for Shanghai Xintiandi, Shui On Plaza including Xintiandi Plaza, 15th floor in Shui On Plaza, 5 CA, Lot 132&Lot 123&124 and Lot 116, in which the Group has effective interests of 100.00%, 80.00%, 100.00%, 44.55%, 25.00%, and 98.00%, respectively.
- The Group has 99.00% effective interests in all the remaining lots, except for The Palette, Hall of the Stars, Hall of the Moon, Parkview, Hall of the Sun, and Ruihong Corporate Avenue, in which the Group has effective interests of 49.50% and Lot 167A, in which the Group has an effective interest of 49.00%.
- In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.
- The Group has 99.00% effective interests in all the remaining lots, except for Lot B5, Lot B10, Lot B15, Lot B14, Lot B13, Lot B24-6 Phase I and Lot B11 Phase I, in which the Group has effective interests of 19.80%.
- The Group has a 50.00% interest in Lot 122.
- The Group has a 49.00% interest in Lot 167B.

FINANCIAL REVIEW



The Group's **revenue** for 2024 decreased by 16% to RMB8,173 million, compared to RMB9,752 million in 2023, due mainly to a 26% decrease in recognised property sales.

Property sales for 2024 were RMB4,356 million (2023: RMB5,898 million), of which RMB4,138 million was from Wuhan Tiandi La Riva III (Lot B12). As a comparison, property sales in 2023 were primarily contributed by Shanghai Panlong Tiandi, which amounted to RMB5,501 million.

Rental and related income from property investment for 2024 was RMB2,456 million (2023: RMB2,398 million), representing a 2% year-on-year growth. The increase was mainly driven by higher occupancy rates of the commercial properties in Shanghai, in particular the additional rental from Shanghai Panlong Tiandi, which was opened at the end of April 2023.

Rental and related income from the Group's Shanghai properties, which accounted for 73% (2023: 73%) of the total, rose by 2% to RMB1,786 million (2023: RMB1,746 million). The rental and related income from the Group's non-Shanghai properties totalled RMB670 million in 2024 (2023: RMB652 million), representing a 3% year-on-year growth.

Property management income for 2024 increased by 5% to RMB608 million (2023: RMB580 million), of which RMB447 million (2023: RMB422 million) was from services rendered to commercial properties, representing a 6% year-on-year growth. The growth was attributable to increased occupancy rates. The remaining income of RMB161 million (2023: RMB158 million) was from residential properties.

Construction income generated by the construction business advanced to RMB395 million in 2024 (2023: RMB328 million), the increase being mainly from the construction services rendered to the Group's joint ventures.

Gross profit for 2024 rose by 4% to RMB5,228 million (2023: RMB5,045 million), and **gross profit margin** grew correspondingly to 64% (2023: 52%), attributable to a higher profit margin on property sales recorded in 2024.

Other income for 2024 declined by 21% to RMB326 million (2023: RMB411 million), mainly comprising bank interest income and interest income from joint ventures. The decrease was mainly caused by lower interest income from banks.

Selling and marketing expenses for 2024 fell 24% to RMB133 million (2023: RMB175 million) due to lower sales commission fees incurred in 2024.

General and administrative expenses, which are comprised of staff costs, depreciation charges, and advisory costs incurred, retreated by 5% to RMB932 million in 2024 (2023: RMB985 million), as a result of effective cost control.

Decrease in the fair value of investment properties totalled RMB207 million in 2024 (2023: an increase of RMB32 million). The investment property portfolio in Shanghai recorded a valuation gain of RMB33 million, which was offset by a revaluation loss of RMB240 million in the investment property portfolio outside Shanghai.

Gain on disposal of subsidiaries recorded a gain of RMB954 million in 2024 (2023: nil), arising from the restructuring among the existing shareholders of the KIC Shanghai. After taking into account taxes and other expenses, this transaction contributed a net profit attributable to shareholders of the Company of RMB176 million.

Other gains and losses recorded a net loss of RMB279 million in 2024 (2023: net loss of RMB243 million), comprised of:

GAINS/(LOSSES)	2024 RMB'million	2023 RMB'million
Provision for impairment losses under expected credit loss model	(287)	(1)
Gain/(loss) from fair value change of derivative financial instruments	50	(166)
Gain from hedging activities	–	14
Others	(42)	(90)
TOTAL	(279)	(243)

Share of results of associates and joint ventures recorded a net gain of RMB217 million in 2024 (2023: RMB781 million). Net gains from residential projects, including property sales and savings in the final settlement of construction costs and land appreciation tax, amounted to RMB387 million (2023: RMB937 million), which principally comprised RMB267 million (2023: RMB41 million) from Wuhan Innovation Tiandi, RMB165 million (2023: RMB855 million) from the joint-venture project with GRANDJOY in Ruihong Tiandi (disclosed as associates) and RMB2 million (2023: RMB83 million) from the partnership portfolio in Chongqing. The gain was partially offset by the net loss from commercial properties totalling RMB170 million (2023: net loss of RMB156 million) which included a net effect of revaluation loss of RMB93 million (2023: net loss of RMB114 million).

Finance costs, inclusive of exchange differences, totalled RMB2,027 million in 2024 (2023: RMB2,167 million), comprising finance costs of RMB1,925 million (2023: RMB2,130 million) and a net exchange loss of RMB102 million (2023: RMB37 million). Total interest costs decreased by 12% to RMB2,058 million (2023: RMB2,350 million) which was in line with our reduced outstanding balance of debt and lower average cost of debt of 6.0% in 2024 (2023: 6.34%). Of the abovementioned interest costs, 6% (2023: 9%) or RMB133 million (2023: RMB220 million) was capitalised as the cost of property development, with the remaining 94% (2023: 91%) of interest costs relating to mortgage loans on completed properties and borrowings for general working capital purposes being accounted for as expenses.

Taxation totalled RMB2,337 million in 2024 (2023: RMB1,302 million). The year-on-year increase mainly resulted from i) more land appreciation tax levied on recognized property sales in Wuhan Tiandi La Riva III which has a higher profit margin and ii) transaction tax arising from the KIC Shanghai's restructuring. People's Republic of China Enterprise Income Tax has been provided for at the applicable income tax rate of 25% on the assessable profits during the year. Land appreciation tax was levied at progressive rates ranging from 30% to 60% based on the appreciation value, which is the proceeds of property sales less deductible expenditures, including costs of land, development, and construction.

Profit for the year 2024 was RMB810 million (2023: RMB1,397 million).

Profit attributable to shareholders of the Company for 2024 was RMB180 million (2023: RMB810 million).

The core earnings of the Group are as follows:

	2024 RMB'million	2023 RMB'million	Change %
Profit attributable to shareholders of the Company	180	810	(78%)
Decrease / (increase) in fair value of investment properties, net of tax	163	(2)	
Share of results of associates and joint ventures	93	114	
– decrease in fair value of investment properties, net of tax	256	112	
Non-controlling interests	14	9	
Net effect of changes in the valuation	270	121	
Profit attributable to shareholders of the Company before revaluation	450	931	(52%)
CORE EARNINGS OF THE GROUP	450	931	(52%)

FINANCIAL REVIEW

Earnings per share for 2024 were RMB2.2 cents, calculated based on a weighted average of approximately 8,009 million shares in issue in 2024 (2023: earnings per share of RMB10.1 cents, calculated based on a weighted average of approximately 8,009 million shares in issue).

Dividends payable to shareholders of the Company must comply with certain covenants under the senior notes and bank borrowings.

Having taken into consideration the Group's financial performance during the year, the Board has resolved to recommend the payment of a 2024 final dividend of HKD0.036 per share (2023: HKD0.058 per share).

Major Disposal

- 1) In November 2024, the Group entered into a cooperation agreement with existing shareholders of the KIC Shanghai to restructure the investment holding structure of the project through the formation of a limited partnership and equity transfer. For details, please refer to the circular issued by the Company dated 29 November 2024. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.
- 2) In December 2023, the Group entered into an agreement with Shanghai Hongrui Shouyuan Consulting Management Partnership (Limited Partnership) to dispose of its 65% interest in Hong Shou Fang. The equity disposal was completed in January 2024 and the audited final consideration was RMB1,209 million.

Liquidity, Capital Structure, and Gearing Ratio

In August 2024, the Group fully repaid an aggregate amount of USD493.5 million in senior notes at a yield of 6.15% per annum.

The structure of the Group's borrowings as of 31 December 2024 is summarised below:

	Total RMB'million	Due within one year RMB'million	Due in more than one year but not exceeding two years RMB'million	Due in more than two years but not exceeding five years RMB'million	Due in more than five years RMB'million
Bank and other borrowings – RMB	14,435	2,164	824	4,713	6,734
Bank borrowings – HKD	380	380	–	–	–
Bank borrowings – USD	4,462	2,111	1,839	512	–
Senior notes – USD	6,437	3,569	2,868	–	–
Receipts under securitisation arrangements – RMB	4,213	40	45	235	3,893
TOTAL	29,927	8,264	5,576	5,460	10,627

Cash and bank deposits as of 31 December 2024 totalled RMB7,734 million (31 December 2023: RMB8,917 million), which included RMB2,780 million (31 December 2023: RMB3,172 million) of deposits pledged to banks and RMB2,083 million (31 December 2023: RMB2,033 million) of restricted bank balances which can only be applied to designated projects of the Group.

As of 31 December 2024, the Group's net debt (excess of the sum of senior notes, bank and other borrowings and receipts under securitisation arrangements net of bank balances and cash including pledged bank deposits and restricted bank deposits) was RMB22,193 million (31 December 2023: RMB23,016 million), and total equity was RMB42,669 million (31 December 2023: RMB44,149 million). The Group's net gearing ratio remained stable at 52% as of 31 December 2024 (31 December 2023: 52%), calculated based on the net debt over the total equity.

As of 31 December 2024, total HKD/USD borrowings (including both hedged and unhedged positions) amounted to RMB11,279 million (31 December 2023: RMB18,400 million), accounting for 38% of total borrowings (31 December 2023: 58%).

The total undrawn banking facilities available to the Group amounted to approximately RMB3,235 million as of 31 December 2024 (31 December 2023: RMB3,716 million).

Pledged Assets

As of 31 December 2024, the Group had pledged investment properties, property and equipment, right-of-use assets, receivables, bank deposits and the equity interest in a subsidiary totalling RMB39,984 million (31 December 2023: RMB42,304 million) to secure the Group's borrowings totalling RMB19,337 million (31 December 2023: RMB16,214 million).

Capital and Other Development Related Commitments

As of 31 December 2024, the Group had contracted commitments for development costs, capital expenditure, and other investments of RMB5,099 million (31 December 2023: RMB4,389 million).

Cash Flow Management and Liquidity Risk

Management of cash flow is the responsibility of the Group's treasury function at the corporate level.

The Group's commitment is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and debt financing, as appropriate. During 2024, total RMB10.87 billion debts (gross amount) have been repaid by the Group. In addition, as of 27 March 2025, the Group has repaid RMB5.6 billion debts, accounting for 68% of the borrowings due within 2025. The Group will continue to take a very prudent approach to capital management and place healthy cashflow as a top priority in liquidity management.

Exchange Rate and Interest Rate Risks

The Group's revenue is denominated in RMB. Thus, the coupon payments and repayment of the principal amounts of the RMB bank and other borrowings do not expose the Group to any exchange rate risk.

However, a portion of the revenue is converted into other currencies to meet our foreign-currency-denominated debt obligations, such as bank borrowings denominated in HKD and USD, and senior notes denominated in USD issued in 2020 and 2021. Thus, to the extent that the Group has a net currency exposure, there is exposure to fluctuations in foreign exchange rates. As of 31 December 2024, the Group had entered into USD104 million of cross currency swaps to hedge the USD currency risk against the RMB. The Group continues to monitor its exposure to exchange rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to exchange rate risk, if necessary.

The Group's exposure to interest rate risk results from fluctuations in interest rates. Most of the Group's bank borrowings consist of variable-rate debt obligations with original maturities ranging from one to 15 years. Increases in interest rates would raise interest expenses relating to the outstanding variable rate borrowings and the cost of new debt. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the debt obligations.

As of 31 December 2024, the Group had various outstanding loans that bear variable rates of interest linked to Hong Kong Inter-bank Offered Rates, the Secured Overnight Financing Rate ("SOFR"), and the Loan Prime Rate. The Group has hedged against the variability of cash flow arising from interest rate fluctuations by entering into cross currency swaps in which the Group received interest at variable rates at SOFR and paid interest at fixed rates, based on the notional amount of USD104 million. The Group continues to monitor its exposure to interest rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to interest rate risk, if necessary.

Save as disclosed above, as of 31 December 2024, the Group does not hold any other derivative financial instruments linked to exchange rates or interest rates. The Group continues to monitor its exposure to exchange rate and interest rate risks closely and may employ derivative financial instruments to hedge against risk.

Contingent Liabilities

The Group had provided guarantees of RMB102 million as of 31 December 2024 (31 December 2023: RMB145 million) to banks in favour of its customers in respect of mortgage loans provided by banks to home-buyers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the home-buyers as a pledge for security to the mortgage loans granted.

MARKET OUTLOOK



The global economy remained resilient in 2024 thanks to a rebound in world trade, moderating inflation and timely monetary easing by the Federal Reserve and the European Central Bank. Robust 2.8% Gross Domestic Product (GDP) growth in the US helped to offset a lacklustre 0.8% expansion of the Eurozone economy, which was affected by the conflicts in Ukraine and the Middle East. Looking ahead, the path of global inflation is highly uncertain this coming year, with the new US administration's "America First" policy posing a challenge to the global multilateral trading system, raising the prospects of trade disputes and supply chain shifts. Tightened US immigration policies and the imposition of import tariffs could result in a resurgence of inflation in the US, prompting the Federal Reserve to postpone monetary easing for an extended period. In view of the heightened policy uncertainty and escalating geopolitical tension, increased financial market volatility is expected. Against this backdrop, the International Monetary Fund anticipates global GDP growth to remain at a subpar level of 3.3% in 2025, below the average of 3.7% recorded between 2000 and 2019.

The implementation of a more aggressive economic policy stimulus in late September succeeded in raising China's 2024 GDP growth to 5% in 2024. The economy is undergoing a gradual transition of its development model from investment led towards consumption led. The transformation has been hindered by a prolonged property slump, however, which has undermined consumer confidence and resulted in insufficient domestic demand. Exports have been strong, but in the year ahead, Chinese exporters will face increased protectionism and higher US tariffs. To counter these headwinds, the Central Economic Work Conference in December announced plans to expand domestic demand, with special programmes to increase household income and consumer spending, focused on expanding basic pensions and healthcare subsidies. The government will also expedite bond issuance and pursue a moderately loose monetary policy, adopting a "wait-and-see" approach to addressing impending external challenges before implementing policy responses to

maintain stable economic growth. Meanwhile, China's progress in advanced Artificial Intelligence and semiconductor technology, such as recent breakthrough by DeepSeek, revealed the nation's potential to leverage new productive forces to foster high-quality, innovation-driven growth.

China's residential market downturn persisted in 2024, with annual real estate investment dropping by 10.6%, marking three consecutive years of contraction. The annual sales value and the gross floor area of new residential housing decreased by 17.6% and 14.1%, respectively. However, the rate of decline has decreased since the second half of 2024, suggesting that the government's supportive measures, such as reducing downpayment ratios and mortgage rates, are starting to show results. This raises the prospect of a stabilisation in housing transactions this year. Following a 20.4% drop in 2023, total land sales area declined by 36.3% in 2024. The ongoing downturn in land transaction reflects a continued contraction in capital inflows to the property sector but will result in a potential shortage of future residential supply. Going forward, availability of funding to the real estate sector is expected to improve, as regulatory authorities have committed to expanding the "whitelist scheme" of property financing to RMB5.6 trillion, to support the completion of presold homes.

In the commercial office market, tenants have become increasingly vigilant in managing the leasing of office space in response to the uncertain business and macroeconomic outlook. In Shanghai, cost-cutting induced relocation, and renewals have led to an increase in the leasing of Grade A office space. According to Jones Lang LaSalle (JLL), the annual net absorption of Grade A office space in Shanghai increased by 24.7% year-on-year (YoY) to 476,000 sq.m.. Demand fueled by upgrades and a more diverse tenant mix continues to underpin the office leasing market. Nevertheless, it faces considerable challenges this year owing to ample pipeline supply, as well as intense competition from a host of projects among

submarkets. We are dedicated to providing tenants with holistic workplace solutions by improving customer services. To offset challenges in office leasing, we are proactively seeking out office demand from tenants involved in new quality productive force-related sectors.

The commercial retail property market has undergone increasing challenges as annual net absorption of retail property in Shanghai decreased from 730,000 sq.m. in 2023 to 451,000 sq.m. in 2024. This decline coincided with a decline in retail sales. Looking ahead to 2025, a dozen new retail commercial property projects are set to open, intensifying competition for occupancy and rentals. At the same time, offline consumption behaviors are shifted from purchasing consumer goods to increasing spending on experiences and activities related to emotional satisfaction. Our Xintiandi series retail is well positioned to capitalize on this trend, and we will further strengthen the customer-centric and experience-driven strategy to create a unique lifestyle in our Xintiandi Community, by emphasizing on the preservation and rejuvenation of cultural and historical heritage, enriching social experiences and offering, and promoting sustainability.

Shanghai achieved 5% GDP growth in 2024, becoming the first city in China to reach an annual output exceeding RMB5 trillion. The municipality introduced various measures to stimulate domestic consumption, including the issuance of consumption vouchers. Additionally, China's tourist visa exemption programme also helped attract more foreign visitors to the city. Shanghai's foreign trade demonstrated resilience in 2024, with total imports and exports growing by 1.3%. In 2025, Shanghai aims to sustain its growth momentum by attracting more international travelers and advancing industrial development. The city has initiated a RMB100 billion pilot industrial fund to accelerate industrial development, with an emphasis on advanced equipment, shipbuilding, and large aircraft manufacturing. In 2024, Shanghai also saw a record high number of high-end property transactions, underscoring the continued appeal of its high-end real estate market to high-net-worth individuals both in Shanghai and across the country despite the economic slowdown. Given Shanghai's unparalleled significance in economic positioning and lifestyle trendsetting, the high-end residential market is expected to remain resilient. With the established leadership positioning of our "Lakeville" brand in Shanghai market and the luxury housing sector, we will continue to monitor the market trends, refine our strategy and explore new development and growth opportunities.

With a 5.7% GDP growth and an annual output of RMB3.2 trillion in 2024, Chongqing has surpassed Guangzhou to become the fourth-largest city in China in terms of GDP. Key industries, particularly automotive and electronics, have made notable strides in digital transformation. Bolstered by a 90.5% surge in new energy vehicle production, Chongqing's automotive sector recorded a 26.7% increase in value-added output in 2024. The city's consumer market continued to recover during the year, with retail sales growing by 3.6%. The city aims to solidify its pivotal role in the Western Development and Inland Opening-up initiatives that were

highlighted by President Xi Jinping during his recent visit. In 2025, Chongqing plans to achieve around 6% GDP growth, with 5% growth targeted for fixed-asset investment and retail sales.

Wuhan's economy experienced a steady 5% annual growth in 2024, raising the city's GDP above RMB2.1 trillion. The city's retail sales increased by 5.3% to nearly RMB800 billion, while total imports and exports surpassed RMB400 billion, an 11.2% increase that made it one of the leading sub-provincial cities for foreign trade growth. Revenue from the city's five key industries, including optoelectronics and life sciences, grew by more than 10% during the year, while high-technology manufacturing, which contributed over 90% of overall industrial growth, achieved a value-added growth of 26%. The government aims to expedite the development of Wuhan into a science and technology innovation hub of national significance. Based on a robust pace of growth in innovation, Wuhan has set an ambitious target of around 6% GDP growth for 2025.

In 2024, Foshan achieved 1.3% GDP growth, falling short of its targeted 5.5% growth rate. This underperformance mainly resulted from the city's reliance on low-end manufacturing and the property sector. However, Foshan's economic transformation is underway. The local culture and tourism sectors witnessed robust growth, as the city attracted 60 million domestic and foreign tourists, 8.2% increase over 2023. The government plans to invest in 350 strategic emerging industry projects, accounting for 54% of total secondary industry investment. The city's regional connectivity will be enhanced by the construction of Guangzhou's new airport, which is situated in Foshan.

In 2024, Nanjing's GDP growth was 4.5%, below the city's 5% growth target. Declining investment and foreign trade contributed to the loss of momentum. The city's fixed asset investment declined by 17.1%, while total export and import fell by 3.6%. As a regional commercial hub, the government has actively promoted the development of Nanjing into an international consumption centre. The city achieved a 16% YoY increase in tourist arrivals and a 10% YoY rise in tourism revenue in 2024, with retail sales expanding 4.3%. Looking ahead to 2025, Nanjing has set a GDP growth target of around 5%. The government is committed to facilitating technological innovation and industrial upgrading, while actively exploring new ways of stimulating retail consumption.

The prospects for the global economy in 2025 are overshadowed by escalating trade tensions brought about by the more assertive US trade policy. China's foreign trade, a robust engine of growth in 2024, is expected to confront significant headwinds this coming year. To offset the economic drag posed by an uncertain and challenging external environment, the government will pursue a consumption-focused economic strategy. This will involve implementing appropriate counter-cyclical and pro-growth policies to stabilise the property market, invigorate consumer confidence and maintain stable economic growth. We will closely monitor the changing market trends as we continue to explore new investment and development opportunities.

SUSTAINABILITY REPORT



Sustainability Landscape of China

Amid a challenging economic environment, China's recent efforts to tighten sustainability disclosure requirement reaffirm its commitment to sustainable and high-quality development. The country remains focused on meeting its dual-carbon goals of peaking carbon emissions by 2030 and reaching carbon neutrality by 2060. To support these ambitions, China has introduced several key initiatives, including the "1+N" policy framework, the national emission trading scheme, and the establishment of a voluntary carbon market.

In April 2024, Shanghai, Shenzhen and Beijing stock exchanges published the *Sustainability Report Guidelines*, representing a pivotal shift towards more concrete and actionable requirements for sustainability disclosures among listed entities. In addition, the Ministry of Finance of the People's Republic of China released a draft guideline of the *Corporate Sustainability Disclosure Standards—Basic Standards*, with the aim of establishing a nationwide corporate sustainability disclosure standard and system by 2030.

Reflecting on our sustainability approach, anchored in our unique 5C Strategy and substantial progress towards achieving our science-based carbon reduction targets, we recognise the pivotal role of our comprehensive framework in navigating this evolving landscape. Guided by our 5C Strategy, we have not only embraced sustainability as a core value but have also leveraged it as a strategic asset that bolsters our financial viability and operational resilience. By integrating sustainability principles into our core business practices, the 5C strategy enables us to proactively navigate dynamic regulatory requirements while positioning us as a frontrunner in sustainable business practices, and reinforcing our long-term competitiveness.

The continued refinement of the Group's sustainability disclosure regarding its data and management approaches has attained industry recognition, serving as a testament to our unwavering commitment to sustainability excellence. 2024 marked a significant milestone as Shanghai Xintiandi¹ became the first mixed-use commercial complex in Shanghai to operate on 100% renewable electricity. Together with our Nanjing and Wuhan properties which have adopted 100% renewable electricity, the Group has raised its operational renewable electricity usage to 35% portfolio-wide. We also made strides to reduce embodied carbon emissions through procuring low-carbon concrete, cement, and steel. To future-proof our assets against climate change risks, we conducted comprehensive on-site physical risk assessments for all assets and Group-wide transition risk scenario analysis, positioning ourselves ahead of evolving regulatory requirements while addressing emerging climate vulnerabilities. We are proud to have received CDP's Climate Leadership Award for our robust governance and sustainability-related disclosures, earned a place in the 2024 CDP Climate Change "A" List, and ranked among China's 40 Most Influential Enterprises on the Fortune China ESG Impact List.

HKQAA

AA-
HKQAA Sustainability
Rating and Research



AA
MSCI ESG Rating



4 stars
GRESB (SCOV² only)



A
CDP (Climate Change)



Hang Seng Corporate
Sustainability Index Series
Constituent
Hang Seng Corporate
Sustainability
Benchmark Index

¹ Including Xintiandi Plaza, Shui On Plaza, Xintiandi Shikumen Block, Xintiandi Style I & II, Xintiandi Hubindao, 5 Corporate Avenue, and the associated green spaces

² The Shui On Land Core-Plus Office Venture



Our Performance in 2024 – Community

Community has always been central to Shui On Land's positioning to become a pioneer in developing and operating sustainable premium urban communities. By leading in master-planning and cultivating innovative, entrepreneurial ecosystems, we address community needs while integrating wellbeing and sustainability into our urban solutions. We are committed to upholding industry best practices for safety and wellbeing, and actively engage our stakeholders and partners in advancing our sustainability journey.

Key Highlights of 2024

- Hong Shou Fang received the MIPIM Asia 2024 Gold Award for Best Cultural, Educational, and Urban Regeneration Project
- Embedded Shui On Land's Nine Principles of Sustainable Development across the entire project lifecycle—from development through asset management—to create sustainable communities with a unique identity
- Achieved Green Pledge signatories from 99.8% of F&B tenants, 97.7% of retail tenants, and 92.9% of office tenants by leasing area
- Scaled our pioneering “Deep Green Lease” programme and implemented circular furniture solution for office tenants across 20,000m² of leased space
- XINTIANDI Flower Market and YEAHH PARK transformed public spaces into hubs for nature and wellness, engaging over 280,000 participants citywide
- Continued partnerships with Shanghai Climate Week and the Hong Kong University of Science and Technology, and initiated GI Pioneering Lab to foster a green and sustainable innovation ecosystem



Embedding Sustainability into Masterplanning

Masterplanning is the cornerstone of our approach to building vibrant, inclusive and prosperous communities. We bring this vision to life by focusing on community health, pet-friendly initiatives, educational outreach, and tenant-oriented sustainability engagement in our daily operation. In 2024, we formalised sustainability as an essential component of our masterplanning process for all our new large-scale community developments. This approach involves setting clear sustainability goals and establishing a tracking system to cascade, track and implement these objectives across the entire lifecycle of project development and asset management, guiding our design process, procurement strategies and construction practices. By embedding these principles, we not only enhance community wellbeing but also advance our broader vision of creating urban communities that thrive sustainably.

Encouraging, Committing, and Co-Creating Through Tenant Engagement

To encourage tenants as active partners in our sustainability journey, we take a three-tier engagement approach—Connect, Commit, and Co-create—to drive tenant-landlord collaboration. We launched the Green Pledge in 2021 to encourage low carbon living and environmental responsibility among tenants. By 2024, our Green Pledge signatories increased by an average of 10% compared to 2023's level.

In 2023, we initiated the “Deep Green Lease” programme, designed to deepen tenant collaboration and co-create measurable and shared sustainability outcomes. In 2024, we expanded this programme by partnering with more office tenants at Shui On Plaza, The HUB, and Ruihong Tiandi Corporate Avenue. Our collaboration focuses on improving energy efficiency, reducing plastic waste through recycling solutions, and adopting circular furnishing practices in tenant workspaces, including implementing Circular Furniture Service across 20,000m² of leased space. To incentivise participation and promote environmentally responsible behaviour, we offer a suite of benefits including financial incentives, complimentary value-added services, access to our esteemed network of sustainability experts, and ongoing guidance on sustainability best practices. The Deep Green Lease Programme exemplifies our shift from advocacy to actionable, result-driven partnerships with our tenants.



Our Performance in 2024 – Clean

As the first real estate developer from mainland China to participate in the Science Based Targets initiative (SBTi), we are humbled and honoured to be named to CDP's 2024 Climate Change A-list. We remain steadfast to achieving our 1.5°C-aligned science-based targets, driving environmental excellence, and supporting the broader industry's collective transition to a net zero future.

Key Highlights of 2024

- Achieved 51.3% reduction in Scope 1 & 2 carbon emissions intensity and 28.1% reduction in Scope 3 downstream leased asset emissions intensity from 2019 baseline.
- Shanghai Xintiandi transitioned to 100% renewable electricity for all its operational properties since 1st July 2024
- The Group's operational renewable electricity usage increased to 35% portfolio-wide
- Established a low-carbon material supplier inventory for concrete, cement and steel, and embedded material emission requirements into procurement standards, and achieved a 70,089-tonne reduction in embodied carbon emissions in 2024
- Conducted physical climate risk assessment on-site across all operating properties, and performed Group- and asset-level transition risk scenario analysis to proactively align with evolving regulations
- Over 96% of existing assets by GFA obtained either green or healthy building certifications, with Shui On Plaza achieving LEEDv4.1 O+M Platinum certification in 2024³
- Published Group Biodiversity Policy and deepened our partnership with The Nature Conservancy (TNC) through pioneering urban biodiversity stewardship and education initiative

Driving Decarbonisation Forward

Our energy efficiency initiatives and expanding renewable energy adoption are central to reducing Scope 1 and 2 carbon emissions. In July 2024, we have reached a milestone in our decarbonisation journey as all operational properties in Shanghai Xintiandi now utilise 100% renewable electricity. The transition has reduced 22,592 tonnes of carbon emission since July 2024 and is estimated

to cut over 40,639 tonnes of emissions annually. Alongside our Nanjing IFC and Wuhan properties, which have also transitioned to 100% renewable electricity in 2024 and before, the Group has increased its operational renewable electricity usage to 35% portfolio-wide.

We recognise that concrete, steel and cement remain as key contributors to the hard-to-abate embodied carbon emissions. To address this, we have established an inventory of low-carbon material suppliers who are required to provide Life Cycle Assessment or other 3rd party verified reports to disclose embodied carbon data. Noteworthy strides in material selection are exemplified as Lakeville VI has utilised low-carbon steel, cement and concrete in its construction. By selecting cement, concrete and steel with lower carbon emissions, we successfully achieved a notable reduction of 21,728 tonnes in embodied carbon emissions compared to national average.

Safeguarding Our Asset against Climate Change Risks

To strengthen climate resilience, we conducted comprehensive on-site physical risk self-assessment for all our assets, pinpointing vulnerabilities to extreme weather events including extreme precipitation, heatwaves and strong winds, and implemented mitigation measures. In addition, we completed a Group-wide transition risk scenario analysis utilising the Network for Greening the Financial System (NGFS) scenarios across three time horizons. These insights outlines the potential implications of transition risks and opportunities and inform our transition plan to meet our 2030 sustainability goals and enhance long-term resilience.

Championing Urban Biodiversity Conservation

Preserving biodiversity is critical to planetary health and we prioritise urban biodiversity to enhance the wellbeing of our community. We have forged a strategic partnership with TNC since 2023 to pioneer the integration of urban biodiversity considerations into our development and operation. In 2024, we deepened our partnership by co-hosting an urban biodiversity educational initiative at Panlong Tiandi, engaging children and families in hands-on biodiversity learning. Looking ahead, we are committed to expanding our role as urban biodiversity stewards, integrating nature-positive practices in our development and operation to advance urban biodiversity conservation efforts.

³ Other assets achieving green and healthy building certification in 2024 include Shanghai Panlong Tiandi, Shanghai Lakeville VI, and Hong Shou Fang



Our Performance in 2024 – Culture

We are dedicated to preserving and rejuvenating our local culture while promoting global cultural exchanges. We believe that cultural revitalisation strengthens community wellbeing and creates economic value.

Key Highlight of 2024

- Co-hosted an urban regeneration camp with Tongji University as part of a 3-year partnership, engaging professors and young talents from six universities and curated SOL's experience into educational resources to scale sector-wide expertise
- Established a Historic Preservation and Regeneration Committee to upskill employees in historical building preservation and adaptive reuse
- Launched the "Xinsheng Festival" at Panlong Tiandi to revive traditional festival and cultural heritage, attracting 126,000 visitors and showcased 90+ cultural performances
- Collaborated with UCCA on the "RanRan" Young Artist Incubation Programme, engaging 400+ young artists and fostering the next-generation of local artists

Cultivating Future Urban Regeneration Talents

As part of our 3-year partnership with Tongji University on developing urban regeneration talents, we co-hosted the "Urban Regeneration-Community Building and Placemaking" summer camp in 2024, bringing together scholars and graduate students from six universities for hands-on research and site visits to six of Shui On Land's urban regeneration projects in Shanghai. By immersing participants in real-world case studies and mentorship opportunities, this research initiative reflects our commitment to nurturing future talents with practical, on-the-ground expertise needed to regenerate urban communities into vibrant and sustainable places.



Reviving Traditions: Xinsheng Festival at Panlong Tiandi

In 2024, Shui On Xintiandi launched "Panlong Tiandi – Full Moon Festival" as the inaugural event of "Xinsheng Festival" at Shanghai Panlong Tiandi, attracting over 126,000 visitors during the Mid-Autumn Festival. The 12-day event featured more than 90 performances, 15 workshops, a literary forum, a four-day long-table banquet, and the participation of over 50 brands. By fusing Jiangnan water town culture with contemporary creativity, this festival offers an immersive celebration of art, community, and local traditions. Its cultural and commercial significance was further recognised by the Shanghai Summer International Consumption Season, highlighting its role as a catalyst for cultural and economic vitality in Shanghai.



Cultivating Cultural Creativity and Creator Ecosystem

Creativity is the catalyst for innovation, and we invest in cultivating a dynamic ecosystem that enables creators, fosters collaboration, and promotes culturally enriched urban lifestyle. Our signature CREATORS 100 programme serves as a nexus bridging visionary creators, the XINTIANDI brand, and consumers through integrated online-offline experiences. We produced five podcasts highlighting themes from urban sustainability to creative entrepreneurship, amassing over 400,000 plays across all platforms and reaching more than 1 million audience. Parallely, our "RanRan" Young Artist Incubation Programme launched in collaboration with UCCA, seeks to discover and enable young Chinese artists to reinterpret tradition through contemporary lenses and engage in interdisciplinary experimentation. The 2024 edition attracted 422 applicants, with 15 finalists selected through rigorous evaluation. Their works were showcased at the 'RanRan' Young Artists Group Exhibition, offering them a springboard for artistic growth and broader public engagement.

SUSTAINABILITY REPORT



Our Performance in 2024 – Care

At Shui On Land, we believe people are our greatest asset. We are committed to attracting, cultivating, and retaining a motivated workforce by fostering fair treatment, equal opportunities, and a supportive workplace culture. Beyond our teams, we extend this ethos to the communities we serve, investing in initiatives that empower local talent and drive social progress. Through these dual priorities, we strive to create enduring value for all stakeholders.

Key Highlights of 2024

- Earned 1st runner-up at the UN Women's Empowerment Principles 2024 Asia Pacific Award (Transparency and Disclosure category)
- Published a standalone Diversity & Inclusion Policy
- Increased women's representation on our Board to 36%, a 10% rise over the past three years
- Achieved an average of 44 training hours for each employee
- Delivered occupational health and safety training to 100% employees
- Contributed 14,323 employee volunteer hours

Driving Talent Engagement and Growth

We prioritise employee engagement as the foundation of workplace satisfaction and personal wellbeing. In 2024, we achieved 100% completion of occupational health and safety and ESG-related training across all employees. To foster personal growth, we enhanced the SOL Talent Development programme with tailored pathways for graduates, management, and key positions. Our annual Career Week, a flagship professional development event spanning 21 offices and engaging 1,200+ participants, featured leadership dialogues, skill-building workshops, and youth empowerment forums, equipping employees with tools to advance their careers and broaden their perspectives.

Fostering Gender Inclusivity and Employee Wellness

SOL cultivates a workplace culture anchored in diversity, inclusion, and equity. Our standalone Diversity and Inclusion (D&I) Policy, released in June 2024, guided our actions in unconscious bias training and gender equality efforts, equips employees at every level to grow and thrive in a fair and inclusive environment. In 2023, we became a signatory of the United Nations Women's

Empowerment Principles (UN WEPs), and in 2024, we earned 1st runner-up in the Transparency and Disclosure category at the UN WEPs 2024 Asia Pacific Award. This accolade highlights our leadership in gender-inclusive disclosure and practices, distinguishing us as one of only two awardees from real estate sector.

Our employee assistance platform, grounded in principles of self-care and mental health advocacy, provides counselling services, career guidance, and wellness resources to all employees and their families. In 2024, we facilitated 122 consultations and mental health assessments, ensuring accessible support to promote holistic wellbeing.



Contributing to society through engagement and volunteerism

We encourage our employees to participate in driving social wellbeing through volunteering, strengthening our ties with the communities we serve. In 2024, our employees dedicated over 14,323 volunteer hours, engaging more than 1,300 volunteers and contributing a total donation of RMB 2,063,970. Our key initiatives reflect this spirit of giving: Shui On Xintiandi partnered with the One Foundation to launch a public welfare programme, providing essential "warm packages" for children in underdeveloped and disaster-affected areas, funded by earning 50,000 "green hearts" through our iTiandi loyalty scheme and sustainable customer actions. Additionally, our "2024 Pay It Forward" charity carnival in Panlong Tiandi brought together employees, families, and friends in a charity market, game booths, and a charity run. With 800 participants contributing over 67 million steps – equivalent to 46,210 kilometers – the event raised RMB 316,470, all of which supported the 'Seagull Club' charity project for urban migrant children.



Our Performance in 2024 – Corporate Governance

In our unwavering pursuit to be a reliable partner for all stakeholders, we have fostered a corporate culture steeped in integrity, transparency, and accountability.

Key Highlight of 2024

- Strengthened our whistleblowing protocols and policies through comprehensive revision of our Irregularity Reporting Policy
- Delivered training on business ethics and ESG-specific topics to all employees through 10+ sessions covering responsible marketing and advertising
- Launched Information Safety Policy to enhance information and data security
- Conducted regular simulated cybersecurity breach drills

Fostering Sustainability through Governance and Transparency

Recognising the crucial role of strong corporate governance intertwined with sustainability, our Board drives the strategic implementation of the 5C Sustainability Strategy. The Board Sustainability Committee and our Chief Sustainability Officer provide direct support to seamlessly integrate sustainability practices with our overall business operations. Tasked with overseeing risk management and internal controls, our Board safeguards assets and upholds the best interests of our shareholders. In 2024, we organised specialised sustainability trainings for our leaders to enhance their understanding and ability navigate evolving risks and opportunities in the sustainability landscape.

Strengthening Business Ethics and Crisis Preparedness

Our Code of Conduct and Business Ethics establishes clear ethical and legal framework within our organisation and for our employees. In 2024, all employees received mandatory annual training on our Code of Conduct and Business Ethics to ensure a cohesive understanding of our ethical standards. We also reviewed our Whistleblowing Policy and revised the Irregularity Reporting Policy in 2024, strengthening our internal whistleblowing mechanisms and establishing a clear response protocol for each reported case.

The Group remains dedicated to upholding business compliance standards, with no confirmed incidents of non-compliance related to corrupt practices in 2024. We adhered to all relevant labour laws and regulations, including those related the prevention of child and forced labour.

A key milestone in our cybersecurity efforts was the launch of our Information Safety Policy, outlining our strategic approach to enhance information and data security. Regular simulated cyberattacks and comprehensive data protection training for employees have also bolstered our readiness against potential cybersecurity threats.

In parallel, we conducted regular internal audits to review SOL's adherence to responsible marketing policies and ethical promotion. In 2024, we conducted responsible marketing trainings to our employees, focusing on advertising content compliance and sharing common marketing pitfalls, underscoring our commitment in upholding the highest ethical marketing standards.

CORPORATE GOVERNANCE REPORT



The Board of Directors of the Company (the “Board”) is pleased to present the Corporate Governance Report for the year ended 31 December 2024.

Corporate Governance Values, Strategy, and Practices of the Company

The Company and its subsidiaries (the “Group”) have embraced the “Shui On Spirit – Integrity • Dedication • Innovation • Excellence”. The Group is dedicated to delivering excellent products and services, sustaining its vision by integrating the idea of quality into all its operations. It strives for world-class standards of management, planning, execution, and corporate governance while pursuing sustainable growth. The Board strives to instil these cultures and values into every aspect of the Company’s operations, promoting lawful, ethical, and responsible behaviours across the Group.

The Company has a strong commitment to ethics and integrity. To ensure that everyone in the Group understands the expected behaviours, the Company has implemented various policies such as the Code of Conduct and Business Ethics, the Irregularity Reporting Policy, and the Supplier Code of Conduct. Furthermore, training and experience-sharing sessions are conducted regularly.

The Company has implemented a 5C Sustainability Strategy consisting of five key pillars: Community, Clean, Culture, Care, and Corporate Governance. Each pillar plays a significant role in achieving sustainability goals and upholding the Group’s values. The execution of this strategy has further strengthened the Company’s corporate culture. For detailed information, please refer to the “Sustainability Report”. Based on the policies and practices of the Group, the Board is satisfied that the purpose, values, and strategic directions are aligned with the corporate culture.

The Board believes that good corporate governance is essential to the success of the Company, the enhancement of shareholder value, and stakeholders' confidence in the Company. Good corporate governance practices have enabled the Company to leverage its competitive advantages from many perspectives. The trust and support of the Company's stakeholders drive its continuing success and growth. The Company has experienced these benefits during its on-shore and off-shore fund-raising, as well as when entering into long-term strategic partnerships with renowned companies. From an ethical perspective, we believe our integrity has won the trust of the Government of the People's Republic of China, which has, in consequence, granted the Company more opportunities involving large-scale metropolitan development projects.

The Company reviews its corporate governance practices from time to time to ensure it complies with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and aligns with its latest developments. The Board has reviewed the corporate governance practices of the Company along with the adoption and improvement of various procedures and documentation, which are detailed in this report. During the year ended 31 December 2024, the Company has applied the principles of and complied with all the applicable code provisions of the CG Code, except for a deviation as specified in the section headed "Communications with Shareholders and Investors" below.

Board of Directors

The Board is responsible for the leadership and control of the Company and oversees the Company's businesses, strategic decisions, and performance. The Board has reserved for its decision or consideration matters concerning the Company's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointments or re-appointments, material contracts, and transactions as well as other significant policies and financial matters.

The Board has delegated the daily operations and administration of the Company to the management. The respective functions of the Board and the management of the Company are published on the Company's website and are reviewed from time to time as appropriate. The Board had the full support of the senior management of the Company in discharging its responsibilities during the year ended 31 December 2024.

In addition, to assist in fulfilling its duties, the Board has established five Board committees with defined terms of reference, namely the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy Committee. It has delegated various responsibilities to these committees as set out in their respective terms of reference.

Board Mechanism for Accessing Independent Views and Input

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, to ensure that the Board procedures and all applicable rules and regulations are followed. Coupled with the "Independent Element on the Board" as set out below under the Board Diversity Policy, the Company has always ensured independent views and input are available to the Board. To enable the Directors, in the discharge of their duties, to have independent professional advice in appropriate circumstances, the Company has always procured the services of external legal advisors, valuers, and financial advisors to provide independent views on notifiable transactions. Directors have different channels for accessing or seeking independent professional views and advice. Independent Non-executive Directors ("INEDs") are entitled to engage independent advice while discharging their duties. The Board has reviewed and concluded that the relevant mechanism is effective.

Board Composition

At the conclusion of the annual general meeting of the Company held on 28 May 2024 ("2024 AGM"), Dr. Roger L. McCARTHY ("Dr. McCarthy") retired as an INED of the Company and ceased to be a member of the Audit and Risk Committee and the Sustainability Committee of the Company. Apart from the above, during the year ended 31 December 2024, there was no change to the Board composition.

CORPORATE GOVERNANCE REPORT

At the date of this report, the Board comprises eleven members in total, with four Executive Directors and seven INEDs:

EXECUTIVE DIRECTORS

Mr. Vincent H. S. LO

(Chairman of the Board, Co-chair of the Strategy Committee, and member of the Remuneration Committee)

Ms. Stephanie B. Y. LO

(Vice Chairman of the Board, member of the Nomination Committee, the Sustainability Committee, and the Strategy Committee)

Ms. Jessica Y. WANG

(Chief Executive Officer and member of the Sustainability Committee)

Mr. Douglas H. H. SUNG

(Chief Financial Officer, Chief Investment Officer, and member of the Strategy Committee)

INEDs

Professor Gary C. BIDDLE

(Chairman of the Audit and Risk Committee and member of the Remuneration Committee, the Nomination Committee, and the Strategy Committee)

Mr. Anthony J. L. NIGHTINGALE

(Chairman of the Remuneration Committee and member of the Strategy Committee)

Mr. Shane S. TEDJARATI

(Chairman of the Nomination Committee and Co-chair of the Strategy Committee)

Ms. Ya Ting WU

(Chairman of the Sustainability Committee)

Mr. Albert K. P. NG

(Member of the Audit and Risk Committee and the Strategy Committee)

Mr. Gregory K. L. SO

(Member of the Audit and Risk Committee)

Ms. Randy W. S. LAI

(Member of the Sustainability Committee)

As a commitment to good corporate governance, the Company's Articles of Association stipulate that subject to the provisions contained therein, the Board shall include a majority of INEDs. The Company has appointed seven INEDs representing more than half of the Board members. This appointment complied with the requirement as stipulated under Rule 3.10(1) and Rule 3.10A of the Listing Rules. The number of INEDs who have appropriate professional qualifications or accounting or related financial management expertise exceeds the requirement as stipulated under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his/her independence and considers that all the INEDs are independent under the guidelines in Rule 3.13 of the Listing Rules.

Notwithstanding that two out of seven INEDs have served the Company for more than nine years, the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that they remain independent and free of any relationship which could materially interfere with the exercise of their independent judgment.

The existing Directors, including the INEDs, bring a broad spectrum of valuable business experience, knowledge, and professionalism to the Board to ensure its efficient and effective functioning. INEDs are invited to serve on the Board committees of the Company. Their active participation in the Board and the Board committees' meetings brings independent judgment on issues relating to the Company's strategies, performance, and management processes, considering the interests of shareholders of the Company. Site visits to the Company's projects are arranged occasionally to allow the Board members to keep abreast of project developments. In November 2024, the Board members visited our projects in Shanghai and also projects of other reputable local developers in Shanghai as benchmarking.

The Board reviews its structure, size, and composition regularly to ensure that it has a balance of expertise, skills, and experience appropriate for the requirements of the business of the Company. The Board believes that its current composition reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision-making. Details are provided in the "Skill and Experience" below under the Board Diversity section.

To enhance the Board's function and effectiveness, the Board conducted an evaluation of the performance of the Board and the Board committees for 2024. Each of the Board members provided an evaluation of identified areas and suggestions for improvement. The Company will continue to strive to improve its Board performance.

The list of current Directors and a description of their roles and functions were published on the websites of the Company and the Stock Exchange. Brief biographical details of the Directors are set out in the "Biographies of Directors and Senior Management" section on pages 81 to 88. Except that Ms. Stephanie B. Y. LO ("Ms. Lo") is the daughter of Mr. Vincent H. S. LO ("Mr. Lo"), none of the Directors has any relationship (including financial, business, family, or other material/relevant relationship(s)) with any other Directors.

Chairman and Chief Executive

The roles of the Chairman and the Chief Executive of the Company are separated and currently performed by Mr. Lo and Ms. Jessica Y. WANG ("Ms. Wang"), respectively. The division of responsibilities between the Chairman and the Chief Executive is established and set out in writing, a copy of which has been published on the Company's website.

Board Diversity

The Board has adopted a board diversity policy (the “Board Diversity Policy”), a copy of which is publicly available on the Company’s website (www.shuionland.com/en-us/governancePolicy/getPolicy). The Company understands the increasing importance of diversity at the Board level. The implementation and effectiveness of the Board Diversity Policy are reviewed by the Nomination Committee annually.

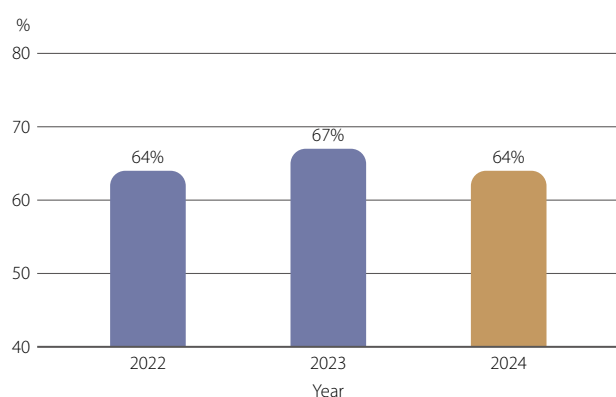
Under the Board Diversity Policy, in designing the composition of the Board and during the selection of candidates, the Nomination Committee considers various diversity indicators, including but not limited to independence, gender, age, cultural and educational background, professional and industry experience, skills, knowledge, nationality, ethnicity and other qualities essential to the Company’s business. Decisions are made based on merit and the contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and the needs of the Board, and without focusing on a single diversity aspect.

Independent Element on the Board

The Board shall include a balanced composition of executive and non-executive directors (including INEDs) so that there is a strong independent element on the Board that can effectively exercise independent judgment. The Company’s Articles of Association stipulate that the Board shall comprise a majority of INEDs.

As of 31 December 2024, seven out of eleven Directors, accounting for approximately 64% of the Board, are INEDs. The following comparison shows the proportion of INEDs in the board composition for the same period from 2022 to 2024:

Proportion of INEDs in the Board Composition (approximately)



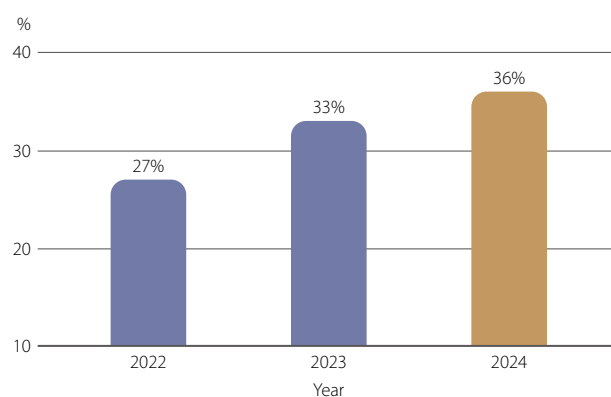
Gender

The Board is committed to maintaining an environment of respect for people regardless of their gender in all business dealings. The Board would ensure that an appropriate balance of gender diversity is achieved with reference to stakeholders’ expectations and international and local recommended best practices.

The Board targets to appoint or maintain gender diversity and targets to refrain from having a single gender in respect of the Board. The Nomination Committee will identify potential candidates through various means, such as internal promotion, referrals, and engaging employment agencies if necessary. Based on the criteria set out in the Nomination Policy and the Board Diversity Policy, the Nomination Committee will then recommend these candidates to the Board for consideration.

Since Ms. Lo was appointed as an Executive Director in August 2018, the Board has already achieved gender diversity as per the Listing Rules requirement. Ms. Ya Ting WU (“Ms. Wu”), Ms. Wang, and Ms. Randy W. S LAI (“Ms. Lai”) were appointed as the Directors of the Company in January 2021, January 2022, and July 2023, respectively. As of 31 December 2024, four out of eleven Directors, accounting for approximately 36% of the Board, are females. The following comparison shows the proportion of females in the board composition for the same period from 2022 to 2024:

Proportion of Females in the Board Composition (approximately)



CORPORATE GOVERNANCE REPORT

Skills and Experience

The Board shall possess a balance of skills appropriate for the business of the Company. The composition of the Board has a mix of finance, legal, and management backgrounds and experiences in a range of activities, including varied industries or expertise covering economic, environmental, and social topics. With their respective background and experience, our Directors offer varying perspectives to the Board. The table below highlights the key attributes and experiences of our Board:

Skills and Experience	Independent Non-executive Directors' Experience
Industry Experience <ul style="list-style-type: none"> Real estate Investment Customer and Retail 	<p>Apart from being a director of the Company, some of our INEDs have relevant industry experience.</p> <ul style="list-style-type: none"> Mr. Anthony J. L. NIGHTINGALE ("Mr. Nightingale") has experience in property investment, management, and development. Ms. Wu has extensive business experience and a successful track record in the China consumer goods and luxury fashion industries. Ms. Lai has a wealth of experience in the global consumer industry. She also serves as an Adjunct Associate Professor at the Business School of The Chinese University of Hong Kong.
Risk Management	<p>The risk management experience of an INED plays a pivotal role in risk oversight and managing the most significant risks facing the Company.</p> <ul style="list-style-type: none"> Professor Gary C. BIDDLE ("Professor Biddle") is a Professor of Financial Accounting at the University of Melbourne and his expertise includes financial and management accounting and corporate governance which cover risk management. He has published risk management-related topics in relevant journals. Mr. Albert K. P. NG ("Mr. Ng") is a former chairman of Ernst & Young China and has extensive experience in the accounting profession in Hong Kong and China. He has strong knowledge of potential risks and experience in identifying and managing them.
Professional <ul style="list-style-type: none"> Accounting and Finance Legal 	<p>Valuable input from the Board with professional backgrounds in different fields.</p> <ul style="list-style-type: none"> Professor Biddle is a member of the AICPA, Australian Institute of Company Directors, CPA Australia, and HKICPA. Mr. Ng is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA), Chartered Accountants of Australia and New Zealand (CAANZ), CPA Australia (CPAA), and the Association of Chartered Certified Accountants (ACCA). Mr. Gregory K. L. SO ("Mr. So") is a member of the Law Society of Alberta, Canada, the Law Society of Ontario, the Law Society (England and Wales), and the Hong Kong Law Society. He has over 29 years of practicing experience as a lawyer.
Experience in China's Markets and Economic, Political, and Regulatory Development	<p>Certain of our INEDs have focused experience in China's markets and economic development.</p> <ul style="list-style-type: none"> Mr. Shane S. TEDJARATI ("Mr. Tedjarati") has extensive experience in management and strategies for sustainable growth in China and abroad. Mr. Ng is a pioneer in China investment advisory and has guided many multinational companies in investing in China.

Diversity in Senior Management and Employees

The Company is committed to creating a diverse and inclusive working environment for all employees. A working environment where diversity is considered a strength and discrimination of any kind is prohibited has been created.

As of 31 December 2024, females comprised approximately 48% of the Group's workforce (including senior management).

Appointment, Re-election, and Removal of Directors

The procedures and process of the appointment, re-election, and removal of Directors are governed by the Company's Articles of Association, a copy of which has been published on the Company's website for public inspection. The Board, with the recommendation of the Nomination Committee, is responsible for reviewing the Board composition, developing and formulating the relevant procedures for the nomination and appointment of Directors, monitoring the appointment of Directors, and assessing the independence of INEDs.

Non-executive Directors of the Company, including INEDs, are subject to retirement by rotation at least once every three years. The re-election of Directors is under the Company's Articles of Association, the Listing Rules, and any other applicable laws.

All Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first annual general meeting after their appointment. Every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years.

The Company's Articles of Association also allow a qualified shareholder to propose a person, other than a retiring Director of the Company or a person recommended by the Directors, for election as a Director of the Company. The detailed requirements and procedure for such action have been published on the Company's website.

Induction, Training, and Continuing Development for Directors

Each newly appointed Director will receive a comprehensive, formal, and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are continually updated on legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities. During the year ended 31 December 2024, the Directors attended training sessions organised by the Company and perused certain articles provided by the Company relating to environmental, social and governance ("ESG") matters, the role of an INED, and corporate governance ("CG").

NAME OF DIRECTORS	ATTENDING BRIEFINGS / SEMINARS / CONFERENCES RELEVANT TO THE BUSINESS OR DIRECTORS' DUTIES	READING REGULATORY UPDATES OR ESG-RELATED MATERIALS
EXECUTIVE DIRECTORS		
Mr. Vincent H. S. LO	✓	✓
Ms. Stephanie B. Y. LO	✓	✓
Ms. Jessica Y. WANG	✓	✓
Mr. Douglas H. H. SUNG	✓	✓
INEDs		
Professor Gary C. BIDDLE	✓	✓
Mr. Anthony J. L. NIGHTINGALE	✓	✓
Mr. Shane S. TEDJARATI	✓	✓
Ms. Ya Ting WU	✓	✓
Mr. Albert K. P. NG	✓	✓
Mr. Gregory K. L. SO	✓	✓
Ms. Randy W. S. LAI	✓	✓

In addition, individual Directors participated in forums and workshops organised by external professional consultants for continuous professional development. All Directors have provided the Company with their training records for the year ended 31 December 2024.

CORPORATE GOVERNANCE REPORT

Board and Board Committees' Meetings, and Shareholders' Meetings

Number of Meetings and Directors' Attendance

The Company held the 2024 AGM and five Board meetings during the year. Directors' attendance records at Board and Board committees' meetings and the 2024 AGM are set out below:

Name of Directors	Meetings attended / held during their tenure						
	Board meetings	2024 AGM	Audit and Risk Committee meetings	Remuneration Committee meeting	Nomination Committee meeting	Strategy Committee meetings	Sustainability Committee meetings
EXECUTIVE DIRECTORS							
Mr. Vincent H. S. LO	5/5	✓	N/A	1/1	N/A	2/2	N/A
Ms. Stephanie B. Y. LO	5/5	✓	N/A	N/A	1/1	2/2	2/2
Ms. Jessica Y. WANG	5/5	✓	N/A	N/A	N/A	N/A	2/2
Mr. Douglas H. H. SUNG	5/5	✓	N/A	N/A	N/A	2/2	N/A
INEDs							
Professor Gary C. BIDDLE	5/5	✓	5/5	1/1	1/1	2/2	N/A
Dr. Roger L. McCARTHY*	3/3	✓	3/3	N/A	N/A	N/A	1/1
Mr. Anthony J. L. NIGHTINGALE	5/5	✓	N/A	1/1	N/A	2/2	N/A
Mr. Shane S. TEDJARATI	3/5	–	N/A	N/A	1/1	2/2	N/A
Ms. Ya Ting WU	5/5	✓	N/A	N/A	N/A	N/A	2/2
Mr. Albert K. P. NG	5/5	✓	5/5	N/A	N/A	2/2	N/A
Mr. Gregory K. L. SO	5/5	✓	4/5	N/A	N/A	N/A	N/A
Ms. Randy W. S. LAI	5/5	✓	N/A	N/A	N/A	N/A	2/2

* Dr. McCarthy retired at the conclusion of the 2024 AGM.

Practice and Conduct of Meetings

In observance of the CG Code and to facilitate the maximum attendance of Directors, regular Board and Board committees' meetings are scheduled at least one year in advance. Agendas of each meeting are made available to Directors in advance to ensure that all Directors are given an opportunity to include matters in the agendas for regular Board and Board committees' meetings.

Notices of regular Board and Board committees' meetings are served to all Directors at least 14 days before the meetings. Board papers, together with appropriate, complete, and reliable information, are sent to all Directors at least three days before each Board and Board committee's meeting, or such other period as specified in the terms of reference of the relevant Board committees, to keep the Directors abreast of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The senior management attends all regular Board meetings and, when necessary, other Board and Board committees' meetings, to advise on business developments, financial and accounting matters, statutory compliance, corporate governance, and other significant aspects of the Company. An informal meeting between the Chairman and INEDs was held in 2024, without the presence of the executive directors/management, to evaluate the performance of the Board and the management.

The Company Secretary is responsible for taking and keeping minutes of all Board and Board committees' meetings. The minutes shall be open for Directors' inspection at any reasonable time on reasonable notice by any Director. Draft and final versions of minutes are normally sent to Directors for comment and records, respectively, within a reasonable time after such meetings.

According to current Board practice, any material transaction that involves a conflict of interest for a substantial shareholder or a Director will be considered and dealt with by the Board at a duly convened Board meeting. The interested Directors shall abstain from voting and shall not be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Board Committees

The Board has established five Board committees with defined terms of reference, namely the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy Committee, for overseeing particular aspects of the Company's affairs.

The terms of reference of the Board committees, which set out the Board committees' respective duties, are in line with the CG Code and are approved by the Board. The terms of reference of the Board committees are reviewed from time to time to cope with the latest amendments to the Listing Rules and the needs of the Company.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, can seek independent professional advice in appropriate circumstances at the Company's expense.

Audit and Risk Committee

The Audit and Risk Committee consists entirely of INEDs, namely Professor Biddle (Chairman of the Audit and Risk Committee), Mr. Ng, and Mr. So. None of the members of the Audit and Risk Committee have any present relationship with the Company's existing external auditor. Mr. Ng was the chairman of Ernst & Young China.

To review the Company's financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer, internal auditor, or external auditor before submission to the Board.



To review and monitor the relationship with the external auditor by reference to the work performed by the auditor, their fees, and terms of engagement, and make recommendations to the Board on the appointment, re-appointment, and removal of the external auditor.



The primary duties of the Audit and Risk Committee

To review the adequacy and effectiveness of the Company's financial controls, risk management and internal control systems, and associated procedures.



To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board.



The terms of reference of the Audit and Risk Committee are published and available on the websites of the Company (www.shuionland.com/en-us/governanceCommittee/getCommittee) and the Stock Exchange.

The Audit and Risk Committee held five meetings during the year ended 31 December 2024. The Audit and Risk Committee also held separate private meetings with the external auditor and the internal auditor during the year to discuss issues pertinent to the Company.

During the year ended 31 December 2024 and up to the date of this report, the Audit and Risk Committee had reviewed the Group's interim results for the six months ended 30 June 2024 and annual results for the years ended 31 December 2023 and 2024, including the accounting principles and practices adopted by the Company. No material uncertainties relating to events or conditions that may cast doubt upon the Company's ability to continue as a going concern had been found. During the year under review, members

of the Audit and Risk Committee visited the Company's projects in Shanghai to keep abreast of developments.

The Audit and Risk Committee also reviewed the auditor's remuneration and made a recommendation to the Board on the re-appointment of the auditor. The Audit and Risk Committee has the same view as the Board regarding the selection, appointment, resignation, or dismissal of external auditors.

The Audit and Risk Committee received regular updates on the Cybersecurity and Personal Information Protection Programme from the IT and Digital Innovation Department ("ITD"). It made recommendations on the practices, tests, and policies for strengthening cybersecurity and personal data protection during the relevant Audit and Risk Committee meetings. For the year ended 31 December 2024, all security devices operated normally, with no incident of internal information leakage or successful external attack occurring. Details of the work of ITD can be found under "Cybersecurity & Personal Data Protection".

CORPORATE GOVERNANCE REPORT

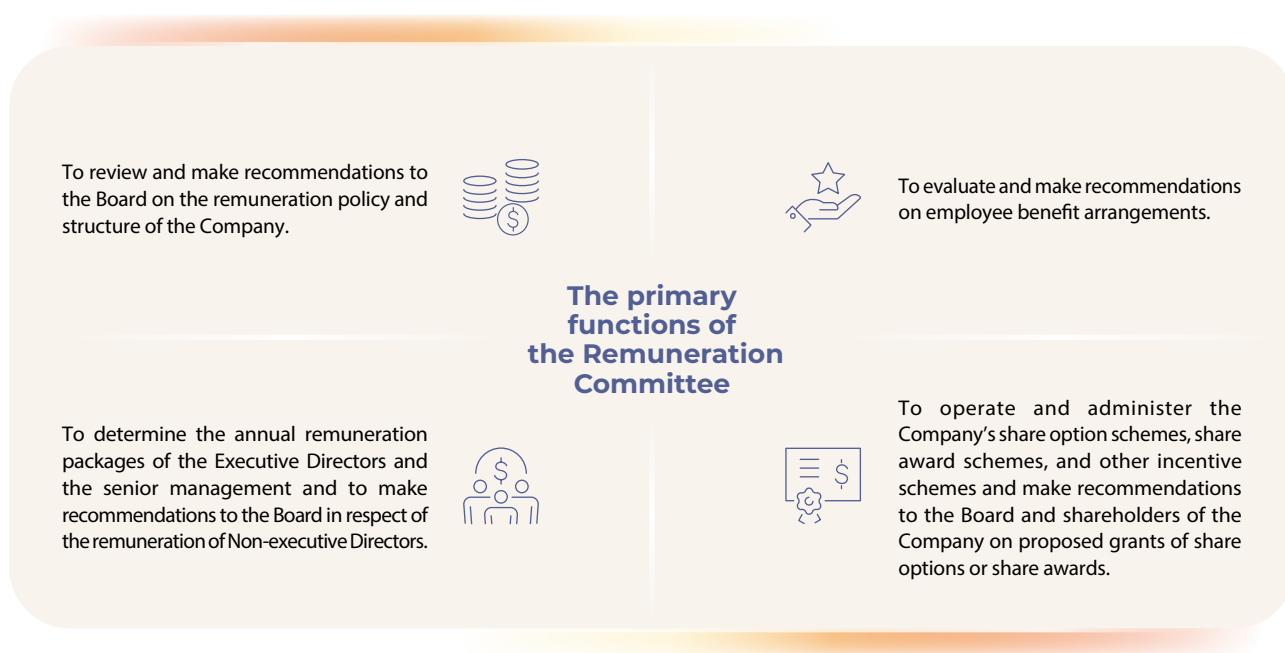
In addition, the Internal Audit and Risk Department ("IARD") provided a summary of the independent risk and control assessment to the Audit and Risk Committee in accordance with the approved risk-based audit plan.

The Audit and Risk Committee also reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with

the CG Code and disclosure in the Corporate Governance Report as stipulated under code provision A.2.1 of the CG Code.

Remuneration Committee

The Remuneration Committee currently consists of three members, namely Mr. Nightingale (Chairman of the Remuneration Committee), Mr. Lo, and Professor Biddle. The majority of the members of the Remuneration Committee are INEDs.



The terms of reference of the Remuneration Committee are published and available on the websites of the Company (www.shuionland.com/en-us/governanceCommittee/getCommittee) and the Stock Exchange.

The Human Resources Department ("HRD") is responsible for collecting and administering human resources data and making recommendations to the Remuneration Committee for its consideration. The Remuneration Committee shall report to the Board about these recommendations on remuneration policy, structure, and packages.

The Remuneration Committee held one meeting during the year ended 31 December 2024. During the year under review, the Remuneration Committee reviewed the remuneration policy and structure of the Company and reviewed and approved the current remuneration package of Executive Directors, INEDs, and senior management of the Group.

Nomination Committee

The Nomination Committee currently consists of three members, namely Mr. Tedjarati (Chairman of the Nomination Committee), Professor Biddle, and Ms. Lo. The majority of the members of the Nomination Committee are INEDs.



The terms of reference of the Nomination Committee are published and available on the websites of the Company (www.shuionland.com/en-us/governanceCommittee/getCommittee) and the Stock Exchange.

The Nomination Committee held one meeting during the year ended 31 December 2024. During the year under review and up to the date of this report, the Nomination Committee had (i) assessed the independence of INEDs and made a recommendation to the Board on the re-appointment of Directors; (ii) reviewed the structure, size, and composition of the Board concerning the Board Diversity Policy to complement the Company's strategy; (iii) reviewed the Board Diversity Policy to ensure that it aligns with the Listing Rules and the CG Code.

Nomination Process

Appointment and re-appointment of Directors are made following the Company's Articles of Association, the Listing Rules, and other applicable rules and regulations. In assessing the suitability of candidates, the Nomination Committee has a policy for the nomination of directors, which is the "Nomination Policy".

Nomination Policy

The Nomination Committee shall consider, among other criteria, the following factors in assessing the suitability of individuals nominated for directorship:

- Reputation for integrity;
- Accomplishment, experience, and reputation in the real estate industry, in particular for individuals nominated for executive directorship;
- Time commitment and attention to the businesses of the Company and its subsidiaries;
- Diversity of perspectives, including but not limited to the measurable objectives stated in the Company's Board Diversity Policy, details of which can be found on pages 57 to 59;
- Independence, in particular for individuals nominated as INEDs;
- Expertise and experience relating to economic, environmental, and social topics;
- Any other relevant factors as may be determined by the Nomination Committee from time to time as appropriate.

CORPORATE GOVERNANCE REPORT

For the nomination of members of the Board committees, after consultation with the respective chair of the Board committee, the Nomination Committee will present to the Board a specific proposal for election or re-election of individual members as Board committee members.

Sustainable Development

The Group's sustainability governance structure has been revamped to facilitate effective implementation of the "5C" sustainable development strategy, covering Clean, Culture, Community, Care, and Corporate Governance. The Board has overall responsibility for the Company's sustainable development efforts. The Sustainability Committee, consisting of selected Directors, meets regularly to discuss and decide on sustainability goals. The Sustainability Committee directly monitors and guides overall sustainability performance and may delegate certain of its responsibilities to the Sustainable Development Executive Committee. The responsibility for specific proposals and the implementation of specific goals at the operational level is delegated to five cross-departmental C Working Teams. Each team holds the key performance indicators ("KPIs") of the goals, meets regularly to drive implementation, and solves problems as they arise. KPIs are cascaded to relevant companies and departments for execution. The Sustainable Development Executive Committee and each C Working Team report their progress and status to the Sustainability Committee for review regularly, and the Sustainability Committee provides consolidated reports to the Board. For details, please refer to the "Sustainability Report".

Employees' Awareness of Sustainable Development

To enhance employees' awareness of the Company's updated corporate vision and strategy in pursuing sustainable development, a 90-minute sharing session was organised in 2024, which was attended by 145 employees of the Group.

Sustainable Development Training for the Directors and Management

As part of the continuous training for the Directors, the Company provided three articles on ESG topics for perusal in 2024. The objective was to ensure that the Directors were well-informed about the latest developments in ESG. In January 2025, the Company's Sustainable Development Department arranged for a professional consultant to conduct a 45-minute briefing session on the latest ESG trends for compliance. Approximately 64% of the Directors attended the briefing session, while the remaining Directors received the relevant materials for perusal. Additionally, the Sustainable Development Department provided management with materials related to ESG and sustainability monitoring for reference.

ESG-related KPIs

A Chief Sustainability Officer has been appointed to lead the Sustainable Development Department in the management of sustainability tasks. He is responsible for developing and monitoring the Group's sustainability strategies. The Chief Sustainability Officer, the members of the Sustainable Development Executive Committee, and each C Working Team member all have ESG-related KPIs. The achievement of respective ESG-related KPIs is linked to the compensation of the Chief Sustainability Officer and the members of the Sustainable Development Executive Committee and each C Working Team.



Sustainability Committee

The Sustainability Committee currently consists of four members, namely Ms. Wu (Chairman of the Sustainability Committee), Ms. Lai, Ms. Lo, and Ms. Wang. Half of the members of the Sustainability Committee are INEDs.



The terms of reference of the Sustainability Committee are publicly available on the websites of the Company (www.shuionland.com/en-us/governanceCommittee/getCommittee) and the Stock Exchange.

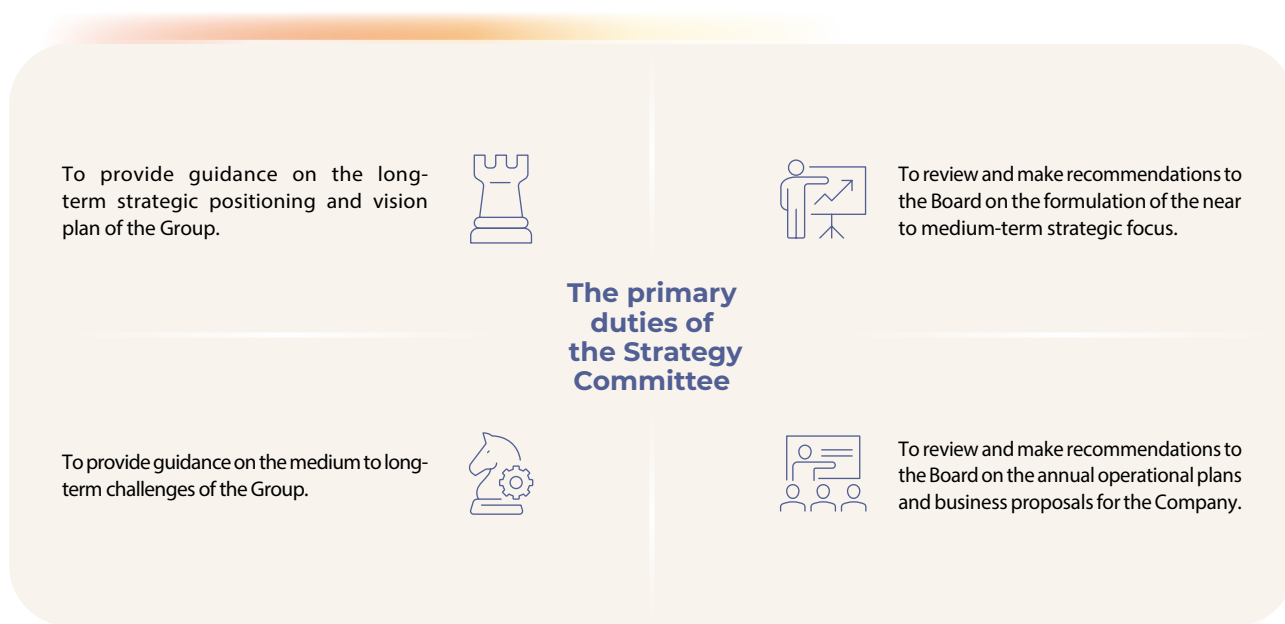
The Sustainability Committee held two meetings in 2024. During the year under review, the Sustainability Committee had (i) formulated the sustainable development priorities for 2024; (ii) evaluated the

5C sustainability key achievements for 2023; (iii) explored the Memorandum of Understanding with The Nature Conservancy on biodiversity & initial methodology; (iv) updated the Scope 3 emission disclosure proposal for the Sustainability Report; (v) assessed the climate change risk; (vi) discussed renewable electricity procurement at the Taipingqiao project and (vii) reviewed the 5C KPI cascading process for 2024 and the progress of the 5C KPI in the first half of 2024.

CORPORATE GOVERNANCE REPORT

Strategy Committee

The Strategy Committee currently consists of seven members, namely, Mr. Lo (Co-chair of the Strategy Committee), Mr. Tedjarati (Co-chair of the Strategy Committee), Professor Biddle, Mr. Nightingale, Mr. Ng, Ms. Lo, and Mr. Douglas H. H. SUNG. The majority of the members of the Strategy Committee are INEDs.



The terms of reference of the Strategy Committee are publicly available on the websites of the Company (www.shuionland.com/en-us/governanceCommittee/getCommittee) and the Stock Exchange.

The Strategy Committee held two meetings in 2024. During the year under review, the Strategy Committee has (i) assessed the business environment and the China property market; (ii) considered the Group's financial planning in the current challenging economic environment; (iii) considered the Company's business strategy in Shanghai; and (iv) reviewed the Company's overall asset-light strategy.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors.

Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

To comply with the CG Code, the Company has established and adopted a Code for Securities Transactions by Relevant Employees (as defined by the Listing Rules), on terms no less exacting than the Model Code, to regulate dealings in the securities of the Company by certain employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished inside information in relation to the Company or its securities because of their offices or employment.

No incident of non-compliance with the Model Code by the Directors and the Code for Securities Transactions by Relevant Employees was noted by the Company during the year ended 31 December 2024.

Responsibilities in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

The Board is responsible for overseeing the preparation of the financial statements of the Company and reviewing the same to ensure that such financial statements give a true and fair view of the state of affairs of the Company and relevant statutory requirements and applicable accounting standards are complied with.

The management provides such explanation and information to the Board to enable the Board to make an informed assessment of the financial information and position of the Company that is put forward to the Board for approval.

The statement of the external auditor of the Company about its reporting responsibilities in regard to the financial statements is set out in the "Independent Auditor's Report" on pages 105 to 108.

Risk Assessment and Management

Strategic Planning

In 2024, the Company continued the implementation of its asset-light business model, and continued its landbank replenishing plan. This business strategy has allowed the Company to expand its commercial portfolio with long-term strategic partners, capture new business opportunities, and create more shareholder value.

The Company continued to develop its competitive advantages in innovation and to strive for excellence. Strategic action plans were developed, implemented, and monitored by relevant executives and management to improve services and enhance the customer experience to achieve an operational model that is market-driven and customer-focused. The Company also developed balanced scorecards to measure individual performance against these corporate objectives.

Resources Planning and Cost Controls

During the year ended 31 December 2024, the Company's main resources planning focus on the completion and delivery of properties which are under development, and strengthening its ability to manage its retail resources to meet future challenges. This was carried out successfully, enabling the Company to increase its focus on delivering the targets in its business plan.

Management continues to focus on controlling costs over the short and long term, enhancing the Company's cost-conscious culture and behaviour, as well as reviewing and monitoring the Company's expenditures.

Enterprise Risk Management

The Company has had a risk identification and management process in place from virtually its initial public listing. The Company has elected to formalise its existing risk management system with a Risk Management Policy to reference its conformance explicitly to the guidance set forth in Appendix C1 of the Listing Rules.

The Company adopts the "Three Lines Model" issued by The Institute of Internal Auditors ("IIA") as its risk governance structure. The Company's Three Lines Model specifies duties and responsibilities to enhance collaboration, communication, and governance within the Group. The second line roles are strengthened and monitored by the Executive Committee ("EXCOM"), Chief Executive Officers, and risk management working team. This team assists Chief Executive Officers in overall planning and communication between the business project teams, setting the standards and methods for risk identification and assessment, and compiling the principal risks to the EXCOM.

The Company's risk management framework is a "Top-Down" strategic risk management approach combined with a "Bottom-Up" operational risk management approach. The Company recognises that most of its corporate risk stems from uncontrollable events in its business and operating environments, which can only be addressed by Board level policy. Thus, the most effective enterprise risk management is facilitated by solid oversight exercised by the Board, the Audit and Risk Committee, and the EXCOM in the establishment and maintenance of the risk management policy, framework, and programme. These oversight components provide leadership and guidance that the business needs to focus on, balance risk and reward, and steer the Company in the planned direction. This approach ensures clarity about the most extreme/high risks involved in shaping the Company's objectives and performance, supports risk-related decisions by the Board/EXCOM, and ensures effective communication amongst the management and operations teams with a view to identifying and reporting new risks of potentially strategic importance to senior management.

CORPORATE GOVERNANCE REPORT

The project directors and functional department heads of the Company are responsible for operational risk assessment. The operational risk assessment comprises risk identification, risk assessment and prioritisation, risk response, risk monitoring, and risk reporting. The Audit and Risk Committee requires relevant management to present risk assessment/management updates of their responsible functions periodically. For example, the Chief Executive Officer should regularly provide an update on business performance to the Audit and Risk Committee. Additionally, the ITD is required to present updates on information technology security and compliance with relevant laws and regulations on data privacy in each Audit and Risk Committee meeting. The head of the IARD also discusses the emerging risks faced by the Company and new management initiatives with the Audit and Risk Committee members. Details about the Group's risk management framework and risk assessment, including principal risks, risk mitigation, and ESG-related risk management measures, are set out in the "Risk Management Report" on pages 76 to 80.

Internal Controls

During the year ended 31 December 2024, management and the IARD conducted reviews of the effectiveness of the Company's systems of risk management and internal controls, including those of its subsidiaries and major associates. The Audit and Risk Committee reviewed the summary report prepared by the internal auditors on the effectiveness of the Company's systems of risk management and internal controls and reported its summary results to the Board covering all material controls, including financial, operational, and compliance controls and risk management functions. The Board also considered the adequacy of resources, staff qualifications and experience, training programs, and budget of the Company's accounting, internal audit, and financial reporting functions as well as those relating to the Company's ESG performance and reporting.

The Company is in the process of updating its policies and procedures to reflect ongoing organisational changes.

Internal Audit and Risk

During the year ended 31 December 2024, the head of the IARD functionally reported to Ms. Lo and had a functional reporting line to the Audit and Risk Committee. The internal audit charter allows the internal auditors unrestricted access to all functions, records, property, and personnel while maintaining appropriate confidentiality in performing their work.

The IARD is a corporate member of the Institute of Internal Auditors Hong Kong Limited, an affiliate of the IIA, which is headquartered in the United States of America. The IARD subscribes to and is guided by the International Standards for the Professional Practice of Internal

Auditing (the "Standards") developed by the IIA and has incorporated these Standards into its audit practices. The head of the IARD attended the IIA Conference Hong Kong 2024 in October 2024, with the theme "Conquering Challenges, Achieving Success: Internal Auditing's Evolution in the Age of Artificial Intelligence", to keep abreast with the internal audit industry trends and best practices.

The IARD helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the risk management, internal control, and governance processes. The IARD performs internal audit services in accordance with the Standards as well as the Code of Ethics issued by the IIA. In addition, it adopts the "Internal Control – Integrated Framework" and "Enterprise Risk Management – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The IARD presents the relevant concepts and COSO principles to management to enhance the implementation and maintenance of the Company's internal control and risk management system.

The IARD formulates a risk-based internal audit plan based on interviews and discussions with management and staff for the Audit and Risk Committee's approval.

During the year ended 31 December 2024, the IARD issued reports to the Chairman and relevant management personnel covering various operational and financial processes and projects of the Company. It provides summary reports to the Audit and Risk Committee together with the status of the implementation of their recommendations in each Audit and Risk Committee meeting.

To help further enhance the effectiveness of the risk management system of the Company and refine the work related to risk management, the IARD has taken the following initiatives:

- Conducted risk management training at each project when performing audits.
- Reviewed the risk inventory with relevant management/staff.
- Performed various data analyses to identify abnormal cases/red-flag items and pass the information to Corporate Finance and/or relevant business departments for follow-up.

The IARD has continued to work on its risk management initiatives and also assisted senior management in refining ethics-related processes and practices. In particular, the IARD has embedded ethics training into all audit sections and risk interviews with management and continuously assessed the "control environment" and "tone at the top" with a view to enhancing the Company's ethical culture.

In 2024, the IARD provided internal control and risk management training to the various functions at headquarters (such as Finance, Legal, HRD, and ITD) and to project teams. These training sessions include sharing the principles of COSO internal control and risk management to enhance employees' risk management awareness.

Ethical Corporate Culture

The Company has established various policies, including its Code of Conduct and Business Ethics, to govern business ethics and best practices. The Company emphasises integrity as an important foundation of its corporate culture and a strategic choice and leverages it as one of its competitive advantages. The Company's Code of Conduct and Business Ethics regulates,

including but not limited to, (i) conflicts of interests (external work, business relationships with family members and interested parties, corporate opportunities); (ii) business practices (discrimination and harassment, confidentiality, proper use of company assets); (iii) business relationships (fair dealing, gifts and hospitality, external contributions); (iv) financial dealings (financial records, controls and reporting) and applies to all wholly-owned subsidiaries of the Group.

The IARD embedded ethics considerations in each audit assignment and assessed the "control environment" to ensure ethical values are integrated into all business segments and processes. Ethics training sessions were organised with the assistance of the Ethics Committee and the IARD and were delivered to management, new employees, suppliers, various departments, and project teams during 2024. The training sessions are summarised as follows:

CATEGORY	DETAILS OF TRAINING	PARTICIPANTS
Management	<ul style="list-style-type: none"> One-hour training on ethical business culture, integrity, anti-corruption, updates on risk management and internal control under the Stock Exchange's requirements, and the Company's Code of Conduct and Business Ethics 	All relevant management (Executive Directors and department/project heads) completed the training
New Employees	<ul style="list-style-type: none"> Regular training on the Company's Code of Conduct and Business Ethics, sharing the latest fraud trend reports from the Hong Kong Independent Commission Against Corruption and the Association of Certified Fraud Examiners Completion of a declaration of their commitment to abide by the Company's Code of Conduct and Business Ethics 	All new employees (including management trainees) completed the training
Employees	<ul style="list-style-type: none"> 30-minute online training on the Company's Code of Conduct and Business Ethics Completion of an online declaration of compliance with the Company's Code of Conduct and Business Ethics 	All employees completed the training
Suppliers	<ul style="list-style-type: none"> One-hour webinar introducing the Company's Code of Conduct and Business Ethics, Sustainability Strategy Sharing, and Supplier Code of Conduct 	All key suppliers invited attended the webinar

Additionally, the Company implements diverse initiatives to enhance business ethics, including reminders about integrity prior to special festivals, thematic movie screenings, and promotion of the irregularity reporting system. These efforts foster an ethical culture, raise awareness of risks, and empower employees to make informed decisions and report misconduct. By engaging in such training, the Company reinforces its commitment to upholding high ethical standards and effectively managing risks across its operations.

Under the Company's Code of Conduct and Business Ethics, the Company uses only those agents, representatives, consultants, contractors, subcontractors, business partners, resellers, sales and marketing agents, or suppliers who have met or exceeded the Company's high standards and entered into the appropriate written agreements in strict compliance with the Company's Code of Conduct and Business Ethics.

Furthermore, all non-public information about the Company should be considered confidential information. Directors and employees who have access to confidential information about the Company or any other entity are not permitted to use or share that information for trading purposes in the Company or the other

entity's securities or for any other purpose except the conduct of the Company's business. Using non-public information for personal financial benefit or sharing this information with others who might make an investment decision based on this information is both unethical and illegal.

The Company's Code of Conduct and Business Ethics undergo regular reviews, ensuring their ongoing relevance and effectiveness. Detailed information is publicly available on the Company's website (www.shuionland.com/en-us/governanceBehavior/query).

To ensure suppliers follow the best ethical practices, a Supplier Code of Conduct is included as an appendix in construction related supplier contracts. The Supplier Code of Conduct covers various aspects such as business ethics, labour employment (including the prohibition of forced or child labour), occupational health and safety, non-discrimination, and rights protection. The Company regularly reviews the Supplier Code of Conduct and continuously enhances its business ethics standards. Details of the Supplier Code of Conduct are publicly available on the Company's website (www.shuionland.com/en-us/sustainability/policies).

CORPORATE GOVERNANCE REPORT

Anti-Fraud Measures

An Irregularity Reporting System (or whistle-blowing system) was introduced for reporting violations of the Company's Code of Conduct and Business Ethics and for making complaints about integrity-related matters from staff, vendors, customers, and/or business partners. A telephone hotline (86-21-53829390) and special email addresses (irsx@shuion.com.cn and irs@shuion.com.cn) were set up to enable any such complaints to reach the Chairman of the Audit and Risk Committee or the Chairman of the Ethics Committee. At each Audit and Risk Committee meeting, a summary report of the complaints received and their follow-up actions are tabled for review. The summary report included the complaints and incident reporting involving any suspected ethical issues and conflict of interest issues, and relevant disciplinary and remedial actions. The Audit and Risk Committee continues to oversee the ethical conduct of the Company's businesses.

To enhance anti-fraud awareness, news clippings on reported fraud cases in the real estate industry are collated and sent by the IARD to key executives quarterly. In addition, the "Fraud Risk Management Guide" issued by COSO has been adopted to assist management in preventing and managing fraud risks associated with all business processes. An annual fraud risk self-assessment is conducted using a standard questionnaire.

The Ethics Committee has also issued an Irregularity Reporting Policy. This policy clarifies the Company's treatment and procedures for handling potential reported violations, but at the same time tries to discourage abuse by disgruntled employees or ex-employees.

Persons making appropriate complaints under this policy are assured of protection against unfair dismissal, victimisation, or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated. In January 2025, the Irregularity Reporting Policy was reviewed and updated to strengthen the internal process management. The updated version has been published and is available on the Company's website (www.shuionland.com/en-us/governanceBehavior/query).

ESG Initiatives

ITD – Cybersecurity & Personal Data Protection

To ensure compliance with China's cybersecurity law, the Group has acquired a multi-level protection scheme for critical system applications. The Group has ensured information security and personal privacy management compliance by obtaining ISO 27001 and ISO 27701 ISO certifications in 2024.

The ITD has conducted regular email alerts and phishing drills to promote cybersecurity awareness among the Group's staff. The ITD also worked with various business units in updating and enforcing personal privacy protection statements in compliance with the personal information protection law in China. As part of its sustainable development goal, the Group will continue to strengthen its efforts in ensuring cybersecurity and personal data protection in its operation and business development.

Training

The Company organises training covering different aspects for employees to equip themselves with the knowledge and skills needed to perform their roles, ensure regulatory compliance, and promote ethical conduct. The training conducted in 2024 is summarised below:

DATE	TRAINING SESSIONS	DETAILS	ASSESSMENT REQUIREMENT	PARTICIPANTS
January	Cybersecurity Awareness Training	15-minute online training	Minimum passing score of 80/100	All relevant employees completed the training
April	Marketing and Advertising Compliance Training	<ul style="list-style-type: none">15-minute online trainingEnhance employees' understanding of the regulatory guidelines and requirements in marketing and advertising and ethical marketing practices	Passing score required	This training is available for all employees to participate in
August	Health and Safety Training	<ul style="list-style-type: none">30-minute online trainingProvide employees with the knowledge and skills required to maintain a safe and healthy working environment across offices, malls, and site settings	Passing score required	All relevant employees completed the training
November	U.S. Foreign Corrupt Practices Act (FCPA) Training	<ul style="list-style-type: none">2-hour in-person trainingProvide employees and relevant teams (e.g., leasing team) with a comprehensive understanding of the U.S. FCPA and its implications for business operations	Not required	<ul style="list-style-type: none">Invited the employees of the leasing team to participate in the trainingApproximately 100 employees including employees of the leasing team participated in the training

Risk and Incident-related Policies

The Compliance Manual – Consolidated Risk and Incident-related Policies was compiled in 2023. This manual has been reviewed and updated in 2024 to further enhance the guidance in handling crises and incidents and the Company's emergency and crisis management capabilities, improve the business continuity management system, and minimise the impact of business disruptions.

Key Awards in 2024

In 2024, the Company received the following awards:

- **2024 Best Corporate Governance and ESG Awards – Special Mention for CG Awards in the Non-Hang Seng Index (Small Market Capitalisation) Category**
Hong Kong Institute of Certified Public Accountants
- **2024 Best Corporate Governance and ESG Awards – Awards for ESG Awards in the Non-Hang Seng Index (Small Market Capitalisation) Category**
Hong Kong Institute of Certified Public Accountants
- **HKIRA 10th Investor Relations Awards 2024 – Best IR Company (Small Cap)**
Hong Kong Investor Relations Association
- **2024 Fortune China ESG Impact List**
Fortune China
- **2023 Climate Leadership Award**
CDP



In 2024, Executive Directors received the following awards:



Ms. Stephanie B. Y. LO
Asia's Power Businesswomen 2024
Forbes Asia



Mr. Douglas H. H. SUNG
HKIRA 10th Investor Relations Awards 2024 – Best IR by CFO
Hong Kong Investor Relations Association

CORPORATE GOVERNANCE REPORT

External Auditor and Auditor's Remuneration

The remuneration paid/payable to the external auditor of the Company in respect of audit and audit-related services and non-audit services for the year ended 31 December 2024 is as follows:

Services rendered for the Company	Fee paid/payable (HKD 'M)
AUDIT AND AUDIT-RELATED SERVICES:	
Annual audit of the financial statements of the Company and its subsidiaries	5.1
Review of interim report for the six months ended 30 June 2024	1.2
NON-AUDIT SERVICES:	
Issue of letters of indebtedness statement and working capital statement in respect of the major transactions	0.8
Issue of report on the continuing connected transactions in relation to the framework agreement for smart facility enhancement work by member of the SOCAM Group to member of the Group	0.1
Sustainability related advisory services and others	1.2
Total:	8.4

Annual Remuneration of Directors and Senior Management

The remuneration of the Directors and the senior management of the Company is determined in accordance with the Company's remuneration policy and structure and in consideration of the criteria set out in the "Remuneration Committee" section on page 62.

Under code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2024 is set out below:

ANNUAL REMUNERATION BY BAND	NUMBER OF INDIVIDUALS
RMB4,000,001 – RMB6,000,000	3
RMB6,000,001 – RMB8,000,000	2
RMB8,000,001 and above	2

Details of the remuneration of the Directors for the year ended 31 December 2024 are set out in Note 10 to the consolidated financial statements.

Starting 1 January 2022, the director's fee is fixed at HKD400,000 per annum for each INED. The additional fee for serving on Board committees will be (i) HKD150,000 per annum and HKD300,000 per annum for acting as a member of and the Chairman of the Audit and Risk Committee, respectively; (ii) HKD80,000 per annum and HKD150,000 per annum for acting as a member of and the Chairman of the Nomination Committee, respectively; (iii) HKD80,000 per annum and HKD150,000 per annum for acting as a member of and the Chairman of the Remuneration Committee, respectively; (iv) HKD120,000 per annum and HKD175,000 per annum for acting as a member of and the Chairman of the Sustainability Committee; and (v) HKD120,000 per annum and HKD175,000 per annum for acting as a member of and the Chairman of the Strategy Committee, respectively.

The current remuneration package of Executive Directors (excluding Mr. Lo) and senior management consists of basic remuneration and performance-linked remuneration. Basic remuneration is a fixed remuneration that is determined for each position in consideration of their duties, responsibilities, individual performance, and market conditions. The performance-linked remuneration, including an annual discretionary bonus, is a short-term incentive that is determined in accordance with the actual business results of the Company as well as individual performance in the previous financial year.

Dividend Policy

Declaration of dividend by the Company is subject to compliance with applicable laws and regulations, including the laws of the Cayman Islands and the Company's Articles of Association. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account several factors, including the Group's financial condition and cashflow, as well as prevailing economic and market conditions.

Dividends payable to shareholders of the Company are also subject to compliance with certain covenants under the senior notes issued and bank borrowings, details of which can be found on page 44.

Communications with Shareholders and Investors

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Company's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make the most informed investment decisions.

The Shareholders' Communication Policy is reviewed by the Company every year to ensure its implementation and effectiveness. The Company's shareholders can exchange their views with the Board in the Company's annual general meeting in person, and shareholders can communicate their opinions electronically. In addition, channels of communication are stated in the Shareholders' Communication Policy for the shareholders or investors to direct their views or queries to the Company. The details of the Shareholders' Communication Policy are published and are available on the Company's website (www.shuionland.com/en-us/governancePolicy/getPolicy).

General Meetings

The general meetings of the Company provide the best opportunity for the exchange of views between the Board and the shareholders. Annual general meetings are held in the form of a physical/hybrid meeting and the conducting language is Cantonese with simultaneous interpretation in English.

The Chairman of the Board as well as the Chairmen of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy Committee or, in their absence, other members of the respective Board committees and, where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings. The Chairman of the independent Board committee (if any) is also available to answer questions at any general meeting for approval of a connected transaction or any other transaction subject to independent shareholders' approval.

Announcements/Disclosures

The Company uses various channels and platforms, including its annual and interim results announcements, press conferences, and analyst briefings, as well as various industry conferences, to ensure the timely release of important messages.

To enhance the transparency of corporate information and comply with the relevant regulatory regime, the Company also publishes announcements of contracted sales figures quarterly through the electronic publication system of the Stock Exchange as well as the website of the Company for equal, timely, and effective access by the public. These quarterly sales update announcements are prepared based on internal management records.

The connected and major transactions are reviewed and assessed by the Board or an independent Board committee as required before submission at shareholders' meetings for approval and/or public disclosure (if necessary).

Information released by the Company to the Stock Exchange is concurrently published on the Company's website, which is regularly updated with corporate developments. Key events regarding financial results, business developments, and operations are also announced on a timely basis to investors through the corporate website.

Other Investor Relations Activities

To maintain and improve the visibility of the Company in the financial community, the Company holds regular roadshows and participates in investor conferences attended by key management and the investor relations team. The Company also provides other channels for the investment community for enquires including online enquiry, one-on-one meetings, conference calls, and video meetings.

CORPORATE GOVERNANCE REPORT

2024 Investor Relations Activities

The Company maintained regular communications with its shareholders and investors through various channels throughout the year.

The 2024 AGM was held in the form of a physical meeting conducted in Cantonese with simultaneous interpretation in English. To provide more direct communications with the Company's shareholders, a Networking with Shareholders session was conducted immediately after the 2024 AGM. During the session, shareholders had the chance to discuss matters directly with the senior management of the Company, have their questions answered, and learn about the latest business initiatives and long-term development strategies of the Company. Networking opportunities held by the Company were well attended by the Company's shareholders.

Most of the Directors and the external auditor were present at the 2024 AGM, and the meeting provided a useful forum for shareholders to exchange views with the Board. Code provision C.1.6 of the CG Code states that independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Tedjarati, an INED of the Company, could not attend the 2024 AGM due to other business engagements. Save for the above, all the INEDs attended the 2024 AGM.

The Company also held press conferences and analyst briefings after releasing the interim and annual results announcements. All information released on the website of the Stock Exchange was posted on the Company's website, including financial statements, results announcements, circulars, notices of general meetings, and associated explanatory documents. Presentation materials in conjunction with the Company's results announcement and other significant events were made available on the Company's website under the Investor Relations section after their release. Quarterly sales updates and other disclosures relating to connected transactions and significant corporate transactions were announced and published in a timely manner as appropriate.

During 2024, the management and the investor relations team provided the Company's business updates by attending 3 institutional conferences, arranged 10 site visits, and held over 250 meetings, conference calls, and video meetings with approximately 380 investors and analysts.

Based on the above assessment of the Company's communication practices and channels in 2024, the Company has reviewed its Shareholders' Communication Policy and confirmed it as appropriate and effective.

The Company continues to enhance communications and relationships with its investors. Designated members of the senior management of the Company maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's development. Enquiries from investors are dealt with in an informative and timely manner.

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including individual Directors' elections.

Poll results are made available by way of an announcement, which is published in accordance with the Listing Rules.

Under Article 66 of the Company's Articles of Association, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right to require an extraordinary general meeting of the Company ("EGM") to be called by the Board by written requisition to the Board or the Company Secretary of the Company. Shareholders should specify the business they wish to discuss at the EGM in the written requisition. Shareholders may put forward proposals at general meetings of the Company in the same manner as set out above.

The Board shall arrange to hold the EGM within two months after the deposit of such requisition. If within 21 days of deposit of the written requisition, the Board fails to proceed to convene the EGM, the shareholders themselves may do so in the same manner, and all reasonable expenses incurred by the shareholders shall be reimbursed to the shareholders by the Company.

Shareholders may at any time direct their enquiries about the Company to the Board by writing to the Company's place of business in Hong Kong at 34/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong, or by email to sol.ir@shuion.com.cn. The contact details are available on the Company's website (www.shuionland.com/en-us/investor/more?##).

Shareholders may also put forward their enquiries to the Board at the general meetings of the Company.

Company Secretary

Mr. UY Kim Lun, the Company Secretary, is an employee of the Company and is appointed by the Board. The Company Secretary is responsible for facilitating the Board's processes and communications among Board members, with the shareholders, and with the management. During the year ended 31 December 2024, Mr. Uy had undertaken not less than 15 hours of relevant professional training to update his skills and knowledge.

Constitutional Documents

There was no change in the constitutional documents of the Company during the year ended 31 December 2024.

Corporate Governance Enhancement

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but involves promoting and developing an ethical and healthy corporate culture. The Company is committed to maintaining a high standard of corporate governance within a sensible framework, with an emphasis on the principles of transparency, integrity, accountability, sustainable development, and independence. We will continue to review and, where appropriate, improve our current practices based on our experience, regulatory changes, and developments. With the revised CG Code becoming effective from 1 January 2022, the Company has followed the evolving trends and will strive to meet or exceed the revised CG Code, as well as the further revision to be effective from 1 July 2025. We have also experienced the trust of our shareholders, especially our minority shareholders, noting that they and the investment analyst community have lent the Company their full support based on their recognition of our efforts to enhance corporate governance. All views and suggestions from our shareholders to promote transparency are welcome.

RISK MANAGEMENT REPORT



The Company is committed to the continuous improvement of its risk management and internal control systems to ensure the long-term sustainability of its business.

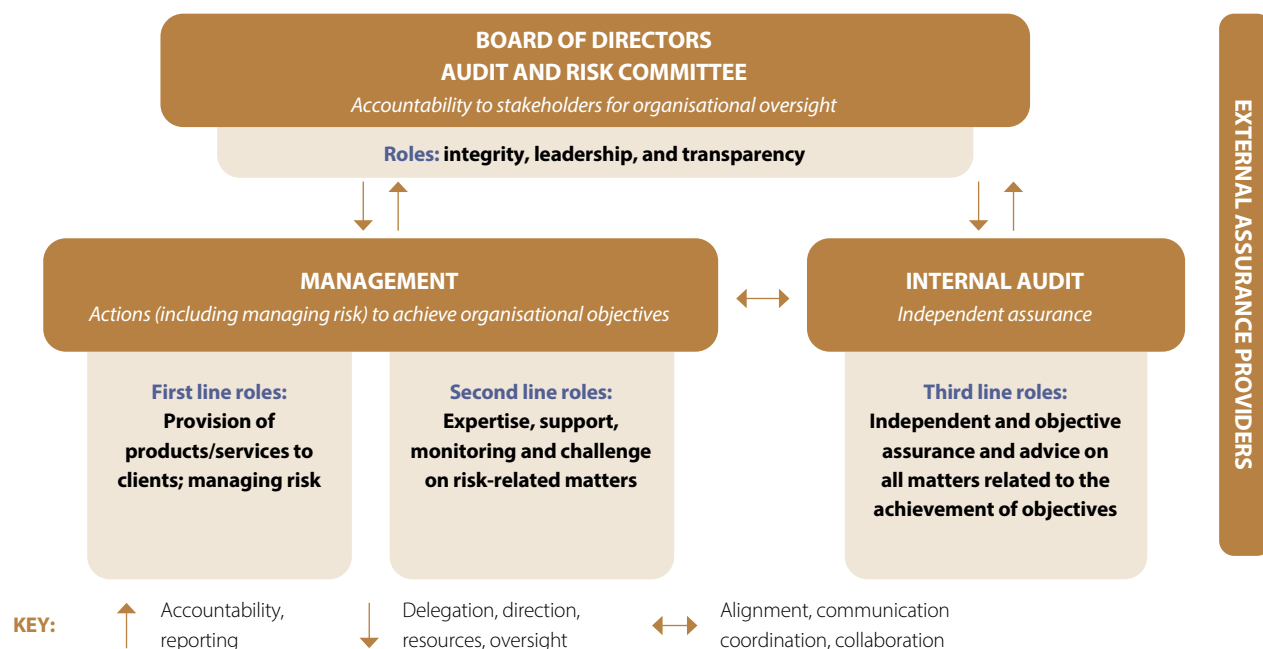
Before its initial public offering, the Company established and has since continuously operated a risk identification and management system under the responsibility of the Audit and Risk Committee. Our approach to and methodology used in establishing the risk management mechanism are tailored to the Company's complex business, as it operates in numerous locations throughout the People's Republic of China ("PRC") and amid a fast-changing business environment. The Company has elected to formalise its existing risk management system with a Risk Management Policy to reference its conformance explicitly to the guidance set forth in Appendix C1 of the Listing Rules.

Risk Management Framework

The Group's risk management framework comprises a risk governance structure and a risk management process with reference to the "Three Lines Model" issued by The Institute of Internal Auditors ("IIA") and the "Enterprise Risk Management – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

(i) Risk Governance Structure

Three Lines Model



First Line Roles

The corporate and project heads of the Group participate in the implementation and monitoring of the risk management process, identify the risks associated with the Group's business activities, manage and conduct risk assessment, and put in place measures to mitigate the risks.

Second Line Roles

The Executive Committee of the Company ("EXCOM") assists the Board and the Audit and Risk Committee in overseeing the risk management system on an ongoing basis, ensuring that the risk management culture is fostered and endeavoring to implement an effective system for the Group's daily operation.

The Chief Executive Officers of the Company and of Shui On Xintiandi Limited ("SXTD") each take ownership and accountability for risk management within the Group. They oversee the risk management activities and identify and report the principal risks and relevant risk mitigations to EXCOM.

In the process, the risk management working team (comprising the relevant corporate development department colleagues) assists the Chief Executive Officers to:

- (i) formulate the principal risk mitigation plans and core management tasks, and deliver these plans and tasks to key corporate and project teams for implementation;

- (ii) strengthen the management mechanism by setting key risk indicators; and
- (iii) regularly monitor the status of risk mitigation measures and the effectiveness of their implementation and adjust the risk priorities as appropriate.

Third Line Roles

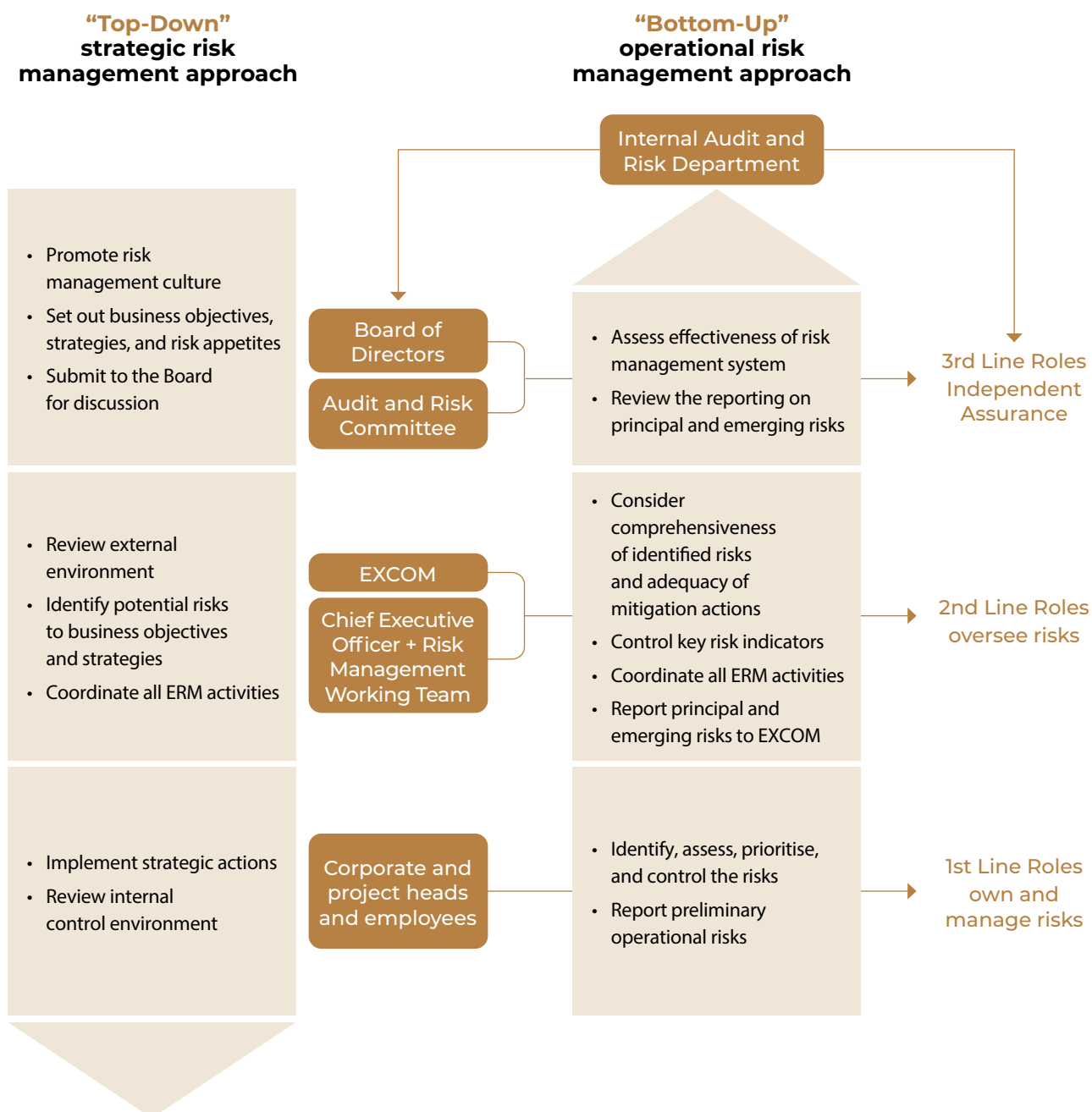
The Board is ultimately responsible for overseeing the Group's risk management and internal control systems and their effectiveness. The Board has delegated to the Audit and Risk Committee the responsibility of overseeing the corporate governance roles in the Group's financial, operational, compliance, risk management, and internal controls.

Under the third line roles, the Internal Audit and Risk Department ("IARD") carries out the role of an independent assessor with reference to the "Enterprise Risk Management – Integrated Framework" and the "Three Lines Model". It performs analysis and independent appraisal to assess the adequacy and effectiveness of the Company's risk management framework. As ESG-related risks have been rapidly evolving in recent years, it has adopted an Enterprise Risk Management ("ERM") framework to monitor ESG-related risks with reference to the relevant guidelines issued by COSO. The IARD reports the results of the independent risk and control assessment to EXCOM and provides a summary to the Audit and Risk Committee.

RISK MANAGEMENT REPORT

(ii) Risk Management Process

The Company has developed a risk management process to manage the Group's strategic and operational risks. A "Top-Down" strategic risk management approach and a "Bottom-Up" operational risk management approach are used to identify, evaluate, and manage the Group's principal risks.



(a) Risk Identification

The corporate and project heads, as risk owners, are responsible for identifying the preliminary risks that arise in their daily operations. Risks identified during the risk identification process are reflected in the risk inventory collated by the risk coordinators. The risk management working team assists in identifying the principal risks based on communication with the relevant corporate and project heads and the risk inventories compiled by the risk coordinators. The risk coordinators assist in coordinating the overall risk inventories of the Group and track the risks recorded in the risk registration list.

(b) Risk Assessment and Prioritisation

All risks identified will be assessed and prioritised by the risk management working team. Such risks will be continually evaluated, and the top risks of the Group are prioritised.

(c) Risk Response

The risk management working team will assist Chief Executive Officers to formulate the principal risk mitigation plans and core management tasks, coordinate all enterprise risk management activities, and coordinate key corporate/project teams to formulate crisis emergency management plans. The relevant corporate and project teams shall implement the risk mitigation plans and continuously monitor the implementation of the risk mitigation plans.

(d) Risk Monitoring

The Audit and Risk Committee is regularly updated on the risk assessment and management process. The IARD reviews the risk mitigation measures and reports their effectiveness to management to take further action, if necessary.

(e) Risk Reporting

An annual risk assessment is conducted to manage the Company's risk profile effectively. A continuous update is made to the Board at the scheduled meetings throughout the year based on the key control results reported by the management. On an annual basis, the management and the IARD provide confirmation to the Board on the effectiveness of the risk management system.

Principal Risks

A list of risks covering both strategic and operational risks is identified by the risk management process. The principal risks were identified and extracted from the list. Through the integrated top-down and bottom-up risk management process, the Company strives to manage and mitigate the risks in a timely manner. Below is a summary of the current principal risks.

Strategic Risks

RISK DESCRIPTION	RISK MITIGATIONS
Government Control Policies and Regulations <ul style="list-style-type: none">Changes in government control policies and regulations will affect the Company's decision making, turnover, and profits.Change of market focus of potential investors and joint venture partners from commercial to non-commercial assets will limit the client base affecting commercial asset management.The PRC has made a pledge to reach its carbon emissions peak before 2030 and become carbon neutral by 2060.The PRC is focusing on improving the economic structure and forming new growth drivers.	<ul style="list-style-type: none">The management team is proactive in keeping appropriate liaisons with the relevant government authorities. It also stays abreast of upcoming new regulations and policies. The impact of the changes in policies and regulations is assessed, and the management team works together closely to take advantage of any changes or mitigate any adverse impact from them.
Competition <ul style="list-style-type: none">Fierce competition from other property developers in major cities. This may affect the Group's ability to acquire land reserves and attract and retain tenants/customers.	<ul style="list-style-type: none">Develop community strategies to provide stakeholders with unique products and services to build the Group's core competitiveness.Further implement the asset-light strategy in collaboration with potential partners.Expand product differentiation to strengthen the extension of the Group's brand.Forge strategic partnerships with suitable partners.
Economy <ul style="list-style-type: none">Great macroeconomic uncertainties, including consumer confidence and tenants' business performance, and demand and supply of property space will create liquidity pressures for corporations and complicate investment decisions. These factors are influencing capital market sentiment, narrowing the client base for commercial asset management, and significantly impacting occupancy rates, traffic, and sales of commercial assets, which adversely affect growth and profitability.	<ul style="list-style-type: none">Monitor macroeconomic performance and office and retail market conditions and adjust our strategy as appropriate.Formulate the in-house view of the structural trends of the commercial market.

RISK MANAGEMENT REPORT

Financial Risks

RISK DESCRIPTION	RISK MITIGATIONS
Liquidity <ul style="list-style-type: none"> Poor cash flow management will increase liquidity risk and damage the Company's reputation and credibility. 	<ul style="list-style-type: none"> The Company takes an active role in managing its liquidity through a prudent budget and financing plan, funding arrangements, and capital expenditure plan.
Financing/Interest and Exchange Rates <ul style="list-style-type: none"> Recession caused by withdrawal of monetary stimulus by global central banks or change of bank regulatory policy could tighten liquidity and lead to a surge in bond yields and the price of the Group's bank loans, raising the cost of refinancing. The tight domestic financing environment continues to pose cash flow challenges for property developers. The risk of global stagflation and recession could exacerbate the debt crisis among developers in the PRC. 	<ul style="list-style-type: none"> Closely monitor the most recent regulations and market sentiment. Work closely with market players to keep up-to-date on market trends. Closely monitor the global central banks' policies and the impact of policy tightening on the Renminbi exchange rate and the Group's funding cost. Maintain strict control over projects' idle funds to ensure effective treasury management and facilitate the Group's repatriation aims.
Default <ul style="list-style-type: none"> Non-compliance with bond and loan covenants could result in cross-default among the Group's debt instruments and accelerate debt repayment. Defaulting on payments or non-compliance with covenants may lead to reputational risks and financial difficulties. 	<ul style="list-style-type: none"> Active compliance measures are taken by management. Closely work with banks in the ongoing monitoring process.

Operational Risks

RISK DESCRIPTION	RISK MITIGATIONS
IT & Cybersecurity <ul style="list-style-type: none"> Cybersecurity and personal data leakage incidents may adversely affect the Company's reputation, stock price, profits, and social image. Promotion of digital tools to customers and digitalisation of internal processes, cybersecurity, and personal data protection have become crucial to our business. 	<ul style="list-style-type: none"> Develop a response programme for cybersecurity and personal data leakage incidents to minimise their impact on business operations.
Digitalisation <ul style="list-style-type: none"> Accelerated digital transformation is reshaping the consumer market and altering business operations. The increase in virtual experiences and hybrid working models may adversely impact office and retail segments. 	<ul style="list-style-type: none"> Provide an in-depth analysis of premium clientele and evolving consumer behaviours to enhance retail innovation and our customer-oriented strategy. Monitor the transformation of high technology in the office and retail sectors and its impact on the property industry.

Emerging Risks

RISK DESCRIPTION	RISK MITIGATIONS
Sustainability – Climate Change <ul style="list-style-type: none"> Severe impact of extreme climate events (typhoons, floods, hot/cold weather, etc.) on project operations, construction plans, and traffic flow. Emissions management and energy saving targets. 	<ul style="list-style-type: none"> Consider risks in site acquisition. Incorporate adaptive capacity and mitigation measures into building design. Collaborate with the team to set carbon emission targets during the construction phase.

Relevant policies and controls have also been long established to ensure that assets are safeguarded against improper use or disposal. Relevant regulations are complied with and the financial and accounting records are prepared and maintained according to relevant accounting standards and regulatory reporting requirements. Major risks that may impact the Group's performance are identified and managed appropriately. It should be acknowledged that the risk management framework can only provide reasonable, but not absolute, assurance against material mis-statement or loss. It is designed to manage rather than eliminate the risk of failure in achieving the business goals of the Company.

The ever-evolving landscape of ESG-related risks continues to have a significant impact on the Group's business operations, and these risks have been incorporated into the enterprise risk management framework to identify better the full spectrum of ESG-related risks. For details, please refer to the "Sustainability Report".

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Vincent H. S. LO



Ms. Stephanie B. Y. LO

BOARD OF DIRECTORS

Executive Directors

Mr. Vincent H. S. LO, GBM, GBS, JP,

aged 76, has served as our Chairman since the inception of our Company in February 2004. Mr. Lo leads the Board of Directors in deciding on the Company's direction and to set corporate strategies. Mr. Lo was the Chief Executive Officer of our Company from 2004 to 16 March 2011. He is also the Chairman of the Shui On Group, which he founded in 1971, Chairman of SOCAM Development Limited, a director of Shui On Company Limited, the controlling shareholder of the Company, and a Non-executive Director of Great Eagle Holdings Limited. Mr. Lo was previously a Non-executive Director of Hang Seng Bank Limited.

Mr. Lo was awarded the Grand Bauhinia Medal (GBM) in 2017, the Gold Bauhinia Star (GBS) in 1998 and appointed Justice of the Peace in 1999 by the Government of the Hong Kong Special Administrative Region (HKSAR). He was named Businessman of the Year at the Hong Kong Business Awards in 2001, and won the Director of the Year Award from The Hong Kong Institute of Directors in 2002 and Chevalier des Arts et des Lettres by the French government in 2004. Mr. Lo was honoured with "Ernst & Young China Entrepreneur Of The Year 2009" and also, as "Entrepreneur Of The Year 2009" in the China Real Estate Sector. Mr. Lo was made an Honorary Citizen of Shanghai in 1999 and Foshan in 2011. In 2012, the 4th World Chinese Economic Forum honoured Mr. Lo with the Lifetime Achievement Award for Leadership in Property Sector. In 2022, Mr. Lo was named "Life Trustee" by Urban Land Institute.

In addition to his business capacity, Mr. Lo has been active in community services. He participated in the preparatory works of the establishment of the Hong Kong Special Administrative Region and served as Chairman of Hong Kong Trade Development Council, Chairman of The Airport Authority Hong Kong and a Member of The Board of Directors of Boao Forum for Asia. He currently serves as Honorary President of Council for the Promotion & Development of Yangtze, Economic Adviser of the Chongqing Municipal Government, the Honorary Court Chairman of The Hong Kong University of Science and Technology.

Ms. Stephanie B. Y. LO,

aged 42, is the Vice Chairman and Executive Director of the Company and Shui On Xintiandi Limited, a wholly-owned subsidiary of the Company. Ms. Lo takes the lead on corporate development, business, and product innovation of the Group and also assists the Chairman of the Company in leading the Board in deciding on the direction and future development of the Company. Ms. Lo joined the Group in August 2012 and has over 21 years of working experience in the property development industry in the PRC, architecture, and interior design, as well as other art enterprises. Prior to joining the Group, Ms. Lo worked for various architecture and design firms in New York City, which include Studio Sofield – a firm well-known for its capabilities in retail design. She holds a Bachelor of Arts degree in Architecture from Wellesley College in Massachusetts. She currently serves as a Member of The Fourteenth Shanghai Committee of Chinese People's Political Consultative Conference. She has been selected as a Young Global Leader of the World Economic Forum in 2020. Ms. Lo is the daughter of Mr. Vincent H. S. LO (the Chairman of the Company), a director of Shui On Company Limited (the controlling shareholder of the Company) and was appointed as a Non-executive Director of SOCAM Development Limited with effect from 1 January 2019.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Ms. Jessica Y. WANG

Ms. Jessica Y. WANG,

aged 50, was appointed as the Executive Director and Chief Executive Officer of the Company in January 2022. Ms. Wang was the Managing Director – Project Development & Asset Management of Shui On Management Limited. Ms. Wang is responsible for leading the management team to oversee the Company's daily operations, formulating business strategic plans based on the business strategies and goals set by the Board, implementing the strategies and policies adopted by the Board, and striving to maintain the Company's business performance. Ms. Wang joined the Group in August 1997 and has over 30 years of working experience in the property development industry in the PRC. Prior to joining the Group, Ms. Wang worked in sales and marketing at a real estate company in Shanghai.

Ms. Wang holds a Bachelor of Engineering degree from the Shanghai University of Technology and an Executive Master of Business Administration (EMBA) degree from the Fudan University in Shanghai. She has completed the Senior Executive Leadership Program from the Harvard Business School. Ms. Wang is one of the deputies to the 16th Shanghai People's Congress, Chairman of Urban Regeneration Committee of Shanghai Association of Foreign Investment, Chairman of Commerce Real Estate Committee of Shanghai Real Estate Chamber of Commerce, Vice President of Shanghai Real Estate Trade Association, Vice President of Shanghai Services Federation, Vice Chairman of Shanghai Hongkou Federation of Industry and Commerce, Co-chair of IWBI (Asia) Task Force on ESG, and Vice President of Shanghai Female Enterprisers Association.



Mr. Douglas H. H. SUNG

Mr. Douglas H. H. SUNG,

aged 58, is an Executive Director, Chief Financial Officer, and Chief Investment Officer of the Company. He takes the lead on the Group's investment platforms and finance management. As Chief Investment Officer, Mr. Sung is responsible for developing and executing the Group's investment strategy, diversifying the funding sources, and strengthening its investment capabilities and performance. He also assists the Board in the development of corporate strategies and the establishment of financial performance benchmarks. Mr. Sung joined our Group in January 2016 and has over 20 years of experience in the Asian real estate industry, ranging from research, capital market, direct investment, and fund management. Prior to joining the Company, Mr. Sung was the Managing Director and Head of Real Estate of Verdant Capital Group and the Managing Director and Portfolio Manager of JPMorgan Greater China Property Fund.

Mr. Sung holds a Bachelor of Architecture degree from the University of Southern California and a Master in Design Studies (Real Estate Emphasis) degree from Harvard University.



Professor Gary C. BIDDLE

Independent Non-executive Directors

Professor Gary C. BIDDLE,

aged 73, has served as an Independent Non-executive Director of our Company since May 2006. Professor Biddle is Professor of Financial Accounting at University of Melbourne. Professor Biddle earned his MBA and PhD degrees at University of Chicago. He previously served as professor at University of Chicago, University of Washington, Hong Kong University of Science and Technology (HKUST) and at University of Hong Kong (HKU), and as visiting professor at China Europe International Business School (China), Columbia University Business School (USA), Fudan University (China), University of Glasgow (UK), IMD (Switzerland), London Business School (UK), and Skolkovo Business School (Russia).

In academic leadership, Professor Biddle served as Dean and Chair Professor at HKU, and as Academic Dean, Department Head, Council member, Court member, Senate member, and Chair Professor at HKUST. He co-created the EMBA-Global Asia program and taught the first class and decade of the KH EMBA program, both ranked #1 in the world (*Financial Times* and QS). Professionally, he has been a member of the AICPA, Australian Institute of Company Directors, CPA Australia, HKICPA, and editorial boards of premier academic journals. He also served as American Accounting Association Executive Board member, Vice-President, and invited President-Elect nominee, on the Accounting Hall of Fame Selection Committee, Financial Reporting Review Panel of the Financial Reporting Council of Hong Kong, HKICPA Council, Accreditation and Financial Reporting Standards Committees of HKICPA, Hong Kong Institute of Directors Training Committee.

Professor Biddle's expertise includes financial and management accounting, value creation, economic forecasting, corporate governance, and performance metrics (EVA®). His research appears in leading academic journals with over 12,000 Google Scholar citations and in the financial press including *CNBC*, *CNN*, *SCMP*, *The Economist*, and *The Wall Street Journal*. Professor Biddle has won 30 teaching honours, including three "Professor of Year" awards from the world's top-ranked EMBA programs. He also proudly serves as non-executive director of Kingdee International Software Group Company Limited and as Independent Non-Executive Director of Belite Bio, Inc. and he previously served as Independent Non-Executive Director of Real Pet Food Company (New Hope Group) and as Remuneration Committee Chair of Chinachem Group.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Anthony J. L. NIGHTINGALE

Mr. Anthony J. L. NIGHTINGALE, CMG, SBS, JP,

aged 77, has been appointed as an Independent Non-executive Director of our Company since 1 January 2016. He was the Managing Director of Jardine Matheson Holdings Limited. He is a non-executive Director of Vitasoy International Holdings Limited, a director of Matheson & Co., Limited, and a commissioner of PT Astra International Tbk. He was a director of Jardine Strategic Holdings Limited, Mandarin Oriental International Limited, Prudential plc, Jardine Cycle & Carriage Limited, Jardine Matheson Holdings Limited, DFI Retail Group Holdings Limited and Hongkong Land Holdings Limited.

Mr. Nightingale is a chairperson of The Sailors Home and Missions to Seafarers. He is the former chairman of the Hong Kong General Chamber of Commerce and was appointed a member of The HKSAR Chief Executive's Council of Advisers on Innovation and Strategic Development (2017 to 2022), an ABAC Representative of Hong Kong, China, from 2005 to 2017 and the Hong Kong representative to the APEC Vision Group from 2018 to 2019.

Mr. Shane S. TEDJARATI,

aged 62, has been appointed as an Independent Non-executive Director of the Company since 18 January 2021. He is the Chairman and Chief Executive Officer of Tribridge Group and has served as Senior Advisor of Honeywell International Inc. ("Honeywell") (NYSE: HON) since 1 January 2022. He was President of Global High Growth Regions in Honeywell and was an officer of the company from September 2004 to December 2021. Mr. Tedjarati was responsible for



Mr. Shane S. TEDJARATI

driving the business expansion of Honeywell in high growth regions of the world: Asia, Africa, Latin America, the Middle East, and Eastern Europe. Prior to joining Honeywell, Mr. Tedjarati spent 20 years in the information technology and management consulting fields and was the regional managing director for Deloitte Consulting (Greater China) from July 1999 to August 2004, where he worked with Chinese state-owned enterprises and multinational corporations to help them formulate and execute strategies for sustainable growth in China and abroad. Mr. Tedjarati studied Mathematics and Computer Science at McGill University, Canada; Master of Business Administration at the University of Surrey, United Kingdom; and Executive Program in e-Commerce at the Wharton School of Management of the University of Pennsylvania. Mr. Tedjarati is an accomplished aviator and holds the highest levels of FAA pilot certifications (Airline Transport License) and jet-type ratings.

Mr. Tedjarati is a Henry Crown Fellow of The Aspen Institute and also co-founder of its two flagship programs – the Middle East Leadership Initiative and the China Fellowship Program. He is a special advisor to Chongqing and Wuhan Mayors, a member of the advisory board of Antai College of Economics and Management at Shanghai Jiao Tong University, and industry Co-Chair of China Leaders for Global Operations, a dual master's degree program by Massachusetts Institute of Technology and Shanghai Jiao Tong University, and Advisory Council Member of the University of Berkeley AMENA Centre for Entrepreneurship and Development.

Mr. Tedjarati has lived in Greater China (Hong Kong and Shanghai) for more than 25 years and speaks six languages including Mandarin Chinese.



Ms. Ya Ting WU

Ms. Ya Ting WU,

aged 50, has been appointed as an Independent Non-executive Director of our Company since 27 January 2021. She is the Chief Executive Officer of Richemont South East Asia and Oceania. She was the Chief Executive Officer of Fengmao Trade (Shanghai) Co., Ltd. ("Fengmao"), a joint venture between Richemont/Yoox Net-a-Porter Group and Alibaba Group. Ms. Wu joined Fengmao in July 2019 and Unilever Group in September 1998. Ms. Wu took on different roles across different countries while she was with Unilever Group; she was employed by Unilever China Co. Ltd. as the Vice President of Digital and E-Commerce for Unilever North Asia. She has more than 26 years of working experience in the consumer goods industry and luxury fashion industry with a successful track record of business delivery across 6 countries of which more than 10 years within Mainland China.

Ms. Wu served as an Advisory Board Member of Schneider Electric Taiwan Company Limited in 2015 and served to the Board of European Chamber of Commerce Taiwan and British Chambers of Commerce in Taipei in 2016. Ms. Wu holds a degree in Business Administration and Finance from Solvay Business School, Belgium and an MBA in Finance from European AMSEC.

Mr. Albert K. P. NG,

aged 67, has been appointed as an Independent Non-executive Director of our Company since 11 October 2022. Mr. Ng was the chairman of Ernst & Young China, the managing partner of Ernst & Young in Greater China, and a member of Ernst & Young's Global Executive Committee. He has over 30 years of professional



Mr. Albert K. P. NG

experience in accounting in Hong Kong and Mainland China. Prior to joining Ernst & Young, Mr. Ng served as Managing Partner of Arthur Andersen in Greater China, Managing Partner of the China Operation of PricewaterhouseCoopers, and the managing director of Citigroup China Investment Banking.

Mr. Ng is currently an Honorary Advisor of the Hong Kong Business Accountants Association and a member of the Advisory Board of the School of Accountancy and the MBA Programs of The Chinese University of Hong Kong. Mr. Ng is a member of the Audit Committee of The Chinese University of Hong Kong, Shenzhen and a Council Member of the Education Foundation of The Chinese University of Hong Kong, Shenzhen.

Mr. Ng is an Independent Non-executive Director of Ping An Insurance (Group) Company of China, Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601318) and the Hong Kong Stock Exchange (stock code: 02318)), China International Capital Corporation Limited (a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Hong Kong Stock Exchange (stock code: 03908)), and an Independent Director of Alibaba Group Holding Limited (a company listed on the New York Stock Exchange (stock code: BABA) and the Hong Kong Stock Exchange (stock code: 09988)). Mr. Ng previously served as an Independent Non-executive Director of Beijing Airdoc Technology Co., Ltd. (a company listed on the Hong Kong Stock Exchange (stock code: 02251)).

Mr. Ng is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA), Chartered Accountants of Australia and New Zealand (CAANZ), CPA Australia (CPAA), and the Association of Chartered Certified Accountants (ACCA). He obtained his Bachelor of Business Administration degree and his Master of Business Administration degree from The Chinese University of Hong Kong.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Gregory K. L. SO

Mr. Gregory K. L. SO, GBS, JP,

aged 66, has been appointed as an Independent Non-executive Director of our Company since 1 July 2023. He was appointed as the Undersecretary for Commerce and Economic Development of the third term Government of the Hong Kong Special Administrative Region ("HKSAR") on 1 June 2008. He was then appointed as the Secretary for Commerce and Economic Development on 28 June 2011. On 1 July 2012, Mr. So was again appointed as the Secretary for Commerce and Economic Development of the fourth term Government of the HKSAR until 30 June 2017. The Commerce and Economic Development Bureau is responsible for various policy matters including Hong Kong's external commercial relations, inward investment promotion, intellectual property protection, industry and business support, tourism, consumer protection, competition, information technology, telecommunications, broadcasting, development of innovation and technology (until November 2015), film-related issues, and creative industries.

Mr. So serves as a consultant in So, Lung and Associates, Solicitors, an independent non-executive director, a member of the audit committee and the strategic development committee of Orient Overseas (International) Limited (a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 316)), an independent non-executive director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the sustainability steering committee of China Overseas Property Holdings Limited (a company listed on the Stock Exchange (Stock Code: 2669)), an independent non-executive director and a member of the audit committee of Investcorp Holdings B.S.C. (a company listed on the Bahrain Bourse until 12 July 2021). Mr. So previously served as the vice-chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong, a Board Member of Hong Kong Hospital Authority, a Council Member of Lingnan University, a Member of Commission on Strategic Development, and a member of the District Council of



Ms. Randy W. S. LAI

Wong Tai Sin District. He was also an independent non-executive director, a member of the audit committee and the chairman of the risk committee of Blue Insurance Limited, and an advisor of Superland Group Holdings Limited (a company listed on the Stock Exchange (Stock Code: 368)).

Mr. So holds a Bachelor of Arts degree in Economics from Carleton University, Canada, a Bachelor's degree in Law, and a Master's degree in Business Administration from the University of Ottawa, Canada. Mr. So is a member of the Law Society of Alberta, Canada, the Law Society of Ontario, the Law Society (England and Wales), and the Hong Kong Law Society. He provided legal services in Canada from 1984 and continued his legal practice upon returning to Hong Kong in 1989. He has over 29 years of practicing experience as a lawyer.

Ms. Randy W. S. LAI,

aged 52, has been appointed as an Independent Non-executive Director of our Company since 1 July 2023. With a wealth of experience in the global consumer industry, she serves as CEO of McDonald's Hong Kong since August 2017 and was its first homegrown female Managing Director, from May 2011 to July 2017. Ms. Lai has been a board member of Ronald McDonald House Charities Hong Kong Limited, supporting chronically ill children and their families. Ms. Lai also serves as an Adjunct Associate Professor at the Business School of The Chinese University of Hong Kong since 2012.

Ms. Lai holds an Executive Master in Business Administration from The Chinese University of Hong Kong and a Bachelor in Arts from Western University in Canada.

SENIOR MANAGEMENT

Mr. Allan B. ZHANG,

aged 46, was appointed as Chief Executive Officer of Shui On Xintiandi Limited ("Shui On Xintiandi") effective from 1 January 2022. He has served as Executive Director of Shui On Management Limited ("SOM") since January 2016. Mr. Zhang joined the Group in 2004.

Mr. Zhang is responsible for the overall strategy of Shui On Xintiandi, as well as the operation and management of the Company's commercial asset portfolio and the expansion of the Group's commercial assets strategy in the PRC. In his previous roles, Mr. Zhang led the Company's commercial product development functions including development research, product development, project design, and asset operations. He was also responsible for the Company's overall development project in Shanghai Taipingqiao area known as "Greater Xintiandi". He successfully led the development, construction, and operation of Wuhan Tiandi as well as KIC in Shanghai.

Mr. Zhang has over 21 years of experience in the PRC property development, urban regeneration, and commercial asset management industries. He is a member of the People's Congress of Shanghai Huangpu District.

Mr. Zhang graduated from Tongji University in Shanghai, PRC with a Bachelor's degree in materials engineering and a master's degree in materials physics and chemistry. He also holds an Executive MBA from both the Kellogg School of Management at Northwestern University (USA) and The Hong Kong University of Science and Technology.

Mr. Matthew Q. GUO,

aged 50, re-joined the Group in July 2022 as an Executive Director of SOM. He leads the Planning and Development Department, Product Innovation and Design Management Department, and IT and Digital Innovation Department of the Company. He also oversees Wuhan, Foshan, Chongqing, and Nanjing projects. Mr. Guo joined the Group in 1997 and has over 26 years of working experience in the property development industry in the PRC. Mr. Guo was the Project Director of the Wuhan Tiandi project, Executive Director of SOM, and Managing Director of Feng Cheng Property Management before he left the Group in 2018. He was also involved in other projects of the Group including Shanghai Xintiandi, Taipingqiao Park, The Lakeville Phase I, and the Yangpu Knowledge and Innovation Community project in Shanghai. Mr. Guo holds a Bachelor's degree in urban planning from Tongji University in Shanghai.

Ms. Jenny H. LI,

aged 46, was appointed as the Senior Director of Property Development of the Company with effect from 1 January 2022. She leads the Cost Management Department, Project Management Department, and Shui On Construction business of the Company, and coordinates and manages various professional functional departments of project development. She joined the Group in 2001 and has over 24 years of working experience in the real estate industry in the PRC. Ms. Li holds a Bachelor's degree of Engineering in Civil Engineering from Tongji University in Shanghai and an Executive Master of Business Administration (EMBA) degree from the Fudan University in Shanghai. Ms. Li also holds the Professional Certificate of Senior Engineer. She currently serves as a Member of the Committee of Chinese People's Political Consultative Conference of Huangpu District, Shanghai.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Albert K. B. CHAN,

aged 65, joined the Group in 1997, is the Director of Planning and Development. He was also appointed as the Chief Sustainability Officer of our Group effective from 1 January 2022. From 1997, he has led the masterplanning and design of multiple award winning “Tiandi” community developments for the Company. From 1998 to 2001, he led the design effort for the Shanghai Xintiandi development. Mr. Chan leads the Sustainable Development Department of the Company and is responsible for the objectives and initiatives in sustainability of the Group.

Prior to joining the Group, Mr. Chan worked at the New York City Department of Design and Construction and at Cooper, Robertson + Partners. Mr. Chan holds a B.Arch from the University of Minnesota, a M.Arch from the University of California, Berkeley, a M.S in Urban Design from Columbia University, and an MBA from New York University. He chaired the ULI Mainland China Council from 2017 to 2019, and chaired the 2023 ULI Global Award for Excellence jury. He is an Honorary Fellow of the American Institute of Architects (Hon. FAIA), and a Chartered Member of the Royal Institute of British Architects (RIBA). He co-chairs the jury for the China Real Estate Design Competition since 2020. He has been appointed as a member of International Panel of Experts of Urban Redevelopment Authority (URA), Singapore effective 2023-2025.

Mr. David P. K. WONG,

aged 69, was appointed as the Chief Economist of our Group effective from 1 January 2022. He is responsible for macroeconomic analysis and the research on development strategies of the Group. He is also the Director of Development Research. Mr. Wong joined the Group in 1996 and has over 30 years of working experience in the Chinese property markets. Before joining the Group, he was Assistant Chief Economist of Hong Kong Trade Development Council. Mr. Wong holds a Bachelor of Science degree from the University of Minnesota and a Master’s degree in Economics from the University of California, Berkeley. He is a member of Asia Society and Urban Land Institute.

Ms. Rachel Y. Q. LEI,

aged 45, was appointed as the Senior Director of Commercial of Shui On Xintiandi with effect from 1 January 2022. She leads the Operation Excellence function of Shui On Xintiandi including Asset Management Department, Central Marketing Department and Community Operation and Service Department. She is also responsible for the day-to-day operation and management of the Ruihong Tiandi project. She continues to oversee Chongqing Tiandi project. Ms. Lei joined the Group in 2001 and has over 23 years of working experience in the real estate industry in the PRC. Ms. Lei obtained both a Bachelor’s degree in Journalism and a Bachelor’s degree in Finance from Shanghai Jiao Tong University in July 2001. She is a member of the Association of Chartered Certified Accountants.

Mr. Clarence C. F. LEE,

aged 51, joined our Group in August 2018 and was appointed as the Senior Director of Commercial of Shui On Xintiandi effective from 1 January 2022. He is primarily responsible for the Company’s central retail leasing function and retail & office leasing for Shanghai Taipingqiao. Mr. Lee obtained a Bachelor’s degree in Computer Science from The University of Hong Kong in December 1998.

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Principal Activities

The Company acts as an investment holding company. The activities of its subsidiaries, associates, and joint ventures are set out in Notes 45, 17, and 18, respectively, to the consolidated financial statements.

Business Review

A fair review of the business of the Group during the year and the discussions on the Group's future business development are provided in Chairman's Statement, Project Profiles, Business Review, Financial Review, and Market Outlook, respectively from pages 8 to 13, pages 16 to 27, pages 28 to 39, pages 42 to 45 and pages 46 to 47 of this Annual Report. A description of possible risks and uncertainties that the Group may be facing can be found in Financial Review on pages 42 to 45. Also, the financial risk management objectives and policies of the Group can be found in Notes 40 and 41 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2024 are provided in Note 43 to the consolidated financial statements. Indications of likely future development in the business of the Company can be found in Business Review and Financial Review on pages 28 to 39 and pages 42 to 45. An analysis of the Group's performance during the year using financial key performance indicators is provided in Financial Review on pages 42 to 45. The discussions on the Group's environmental policies, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are contained in Chairman's Statement, Corporate Governance Report, Sustainability Report, and this Directors' Report on pages 8 to 13, pages 54 to 75, pages 48 to 53 and pages 89 to 104 of this Annual Report.

Results and Appropriations

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss on page 109.

The Board has resolved to recommend the payment of a final dividend of HKD0.036 per share for the year ended 31 December 2024 (2023: HKD0.058 per share), amounting to approximately RMB268 million (2023: RMB423 million) in aggregate. Subject to shareholders' approval of the final dividend at the forthcoming annual general meeting to be held on 16 May 2025 ("AGM"), the final dividend is expected to be paid on or about 29 May 2025 to shareholders whose names appear on the register of members of the Company on 22 May 2025, being the record date for determining shareholders' entitlement to the final dividend. Currently, there is no treasury share held by the Company (whether held or deposited in the Central Clearing and Settlement System or otherwise).

To qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 22 May 2025.

DIRECTORS' REPORT

Investment Properties

Details of the movements in the investment properties of the Group during the year are set out in Note 13 to the consolidated financial statements.

Property and Equipment

Details of the movements in the property and equipment of the Group during the year are set out in Note 14 to the consolidated financial statements.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 195 of this Annual Report.

Share Capital

Details of the movements in the share capital of the Company during the year ended 31 December 2024 are set out in Note 28 to the consolidated financial statements.

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as of 31 December 2024 were RMB19,633 million (2023: RMB19,605 million).

Directors

The Directors of the Company during the year ended 31 December 2024 and up to the date of this report were:

EXECUTIVE DIRECTORS:	
Mr. Vincent H. S. LO	
Ms. Stephanie B. Y. LO	
Ms. Jessica Y. WANG	
Mr. Douglas H. H. SUNG	
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Professor Gary C. BIDDLE	
Dr. Roger L. McCARTHY (retired on 28 May 2024)	
Mr. Anthony J. L. NIGHTINGALE	
Mr. Shane S. TEDJARATI	
Ms. Ya Ting WU	
Mr. Albert K. P. NG	
Mr. Gregory K. L. SO	
Ms. Randy W. S. LAI	

In accordance with Article 102 of the Articles of Association of the Company (the “Articles of Association”), Mr. Vincent H. S. LO, Professor Gary C. BIDDLE, Ms. Jessica Y. WANG, and Mr. Douglas H. H. SUNG will retire from office by rotation at the AGM. Recognising corporate governance precepts regarding Independent Non-executive Director (“INED”) term limits, the longest serving INED, Professor Gary C. BIDDLE, will not stand for re-election. The other Directors, being eligible, will offer themselves for re-election at the AGM.

Changes in Information of Directors

Mr. Albert K. P. NG resigned as an independent non-executive director of Beijing Airdoc Technology Co., Ltd. on 28 August 2024. Save as disclosed in this Annual Report, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Permitted Indemnity

The Articles of Association provide that every Director (including any alternate Director appointed according to the relevant articles) shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company’s business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere. The Company has arranged appropriate directors’ and officers’ liability insurance coverage for the Directors and officers of the Group.

Directors’ Interests in Securities

At 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows:

(a) Long position in the shares and the underlying shares of the Company

Name of Directors	Number of ordinary shares			Total	Approximate percentage of interests to the issued share capital of the Company (Note 3)
	Personal interests	Family interests	Other interests		
Mr. Vincent H. S. LO (“Mr. Lo”)	–	1,849,521 (Note 1)	4,511,756,251 (Note 2)	4,513,605,772	56.23%
Ms. Stephanie B. Y. LO (“Ms. Lo”)	–	–	4,511,756,251 (Note 2)	4,511,756,251	56.21%
Ms. Jessica Y. WANG (“Ms. Wang”)	670,500	–	–	670,500	0.008%
Professor Gary C. BIDDLE	305,381	–	–	305,381	0.0038%

Notes:

(1) These shares were beneficially owned by Ms. Loletta CHU (“Mrs. Lo”), the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 1,849,521 shares under Part XV of the SFO.

(2) These shares were held by Shui On Company Limited (“SOCL”) through its controlled corporations, comprising 1,725,493,996 shares, 2,756,414,318 shares, and 29,847,937 shares held by Shui On Properties Limited (“SOP”), Shui On Investment Company Limited (“SOI”), and New Rainbow Investments Limited (“NRI”), respectively, whereas SOP was a wholly-owned subsidiary of SOI. NRI was a wholly-owned subsidiary of SOCAM Development Limited (“SOCAM”) which in turn was held by SOCL as to 63.29% as of 31 December 2024. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“Bosrich”). The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC International Trustee Limited (“HSBC Trustee”) as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich, and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) These percentages were compiled based on the total number of issued shares (i.e., 8,027,265,324 shares) of the Company at 31 December 2024.

DIRECTORS' REPORT

(b) Long position in the shares of the associated corporation of the Company – SOCAM

Name of Directors	Number of ordinary shares			Total	Approximate percentage of interests to the issued share capital (Note 3)
	Personal interests	Family interests	Other interests		
Mr. Lo	–	312,000 (Note 1)	236,309,000 (Note 2)	236,621,000	63.37%
Ms. Lo	–	–	236,309,000 (Note 2)	236,309,000	63.29%

Notes:

(1) These shares were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 312,000 shares under Part XV of the SFO.

(2) These shares were beneficially owned by SOCL. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich, and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) These percentages have been compiled based on the total number of issued shares (i.e., 373,346,164 shares) of SOCAM at 31 December 2024.

(c) Interests in the debentures of the associated corporation of the Company

Name of Directors	Name of Associated Corporation	Nature of Interests	Amount of Debentures
Mr. Lo	Shui On Development (Holding) Limited ("SODH")	Founder and discretionary beneficiary of a trust	USD2,400,000 (Note 1)
		Family interests	USD1,400,000 (Note 2)
Ms. Lo	SODH	Discretionary beneficiary of a trust	USD2,400,000 (Note 1)

Notes:

(1) These debentures were held by SOI, an indirect wholly-owned subsidiary of SOCL. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich, and HSBC Trustee were deemed to be interested in such debentures under Part XV of the SFO.

(2) These debentures were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Mr. Lo was deemed to be interested in such debentures under Part XV of the SFO.

Save as disclosed above, at 31 December 2024, none of the Directors or the chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Securities

At 31 December 2024, the persons or corporations (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of shareholders	Capacity / Nature of interests	Total number of ordinary shares and underlying shares	Approximate percentage of interests to the issued share capital of the Company (Note 4)
Mrs. Lo	Family and personal interests	4,513,605,772 (Notes 1 & 3)	56.23%
HSBC Trustee	Trustee	4,511,756,251 (Notes 2 & 3)	56.21%
Bosrich	Trustee	4,511,756,251 (Notes 2 & 3)	56.21%
SOCL	Interests of controlled corporation	4,511,756,251 (Notes 2 & 3)	56.21%

Notes:

(1) These shares comprised 1,849,521 shares beneficially owned by Mrs. Lo and 4,511,756,251 shares in which Mr. Lo, the spouse of Mrs. Lo, had a deemed interest under Part XV of the SFO as mentioned in Note (2) below. Accordingly, Mrs. Lo was also deemed to be interested in 4,511,756,251 shares under Part XV of the SFO.

(2) These shares were held by SOCL through its controlled corporations, comprising 1,725,493,996 shares, 2,756,414,318 shares, and 29,847,937 shares held by SOP, SOI, and NRI, respectively, whereas SOP was a wholly-owned subsidiary of SOI. NRI was a wholly-owned subsidiary of SOCAM which in turn was held by SOCL as to 63.29% as of 31 December 2024. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich, and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.

(3) All the interests stated above represent long positions.

(4) These percentages were compiled based on the total number of issued shares (i.e., 8,027,265,324 shares) of the Company at 31 December 2024.

Save as disclosed above, at 31 December 2024, the Directors are not aware of any other person or corporation (other than a Director or chief executive of the Company), having an interest or short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

Share Option Scheme and Share Award Schemes

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 24 May 2017 for a period of 10 years commencing on the adoption date and ending on 23 May 2027. No share option has been granted under the Share Option Scheme since its adoption. Therefore, there was no share option outstanding as at the beginning and the end of the year ended 31 December 2024 and no share option lapsed or was exercised or cancelled during the year ended 31 December 2024. At the beginning and the end of the year ended 31 December 2024, the number of options available for grant in respect thereof is 802,663,018 shares of the Company (the "Shares").

The summary of the Share Option Scheme is as follows:

(i) Purpose

The purpose of the Share Option Scheme is to provide a strategic driver to enhance shareholder value of the Company through achieving excellent business results and rapid growth; and to build a high performing organisation with loyal staff and other key contributors who are committed to achieving the vision and goals of the Company.

(ii) Qualifying participant

The Board may offer to grant an option to any person employed by the Company or a majority owned subsidiary of the Company as the Remuneration Committee may recommend and the Board may approve; and any non-executive director, consultant, advisor of the Company or its subsidiaries, or service providers and business partners who have or may contribute to the Group as the Chairman may recommend and the Board may approve ("Qualifying Participant").

(iii) Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the adoption date and the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the issued share capital of the Company from time to time. No options may be granted under the Share Option Scheme if this will result in such limit exceeded. At the date of this Annual Report, the number of Shares available for issue in respect thereof is 802,663,018 Shares, representing approximately 10% of the total issued Shares at the date of this Annual Report.

(iv) Limit for each participant

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each participant must not exceed 1% of the Shares in issue. Where any further grant of share options under the Share Option Scheme to a Qualifying Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled, and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by the shareholders of the Company in general meeting with the relevant Qualifying Participant and his close associates abstaining from voting.

(v) Option period

In respect of any particular option, such time period as the Remuneration Committee may in its absolute discretion determine and specify in relation to any particular grantee in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein) but which shall not, in any circumstances, exceed the period prescribed by the Listing Rules from time to time (which is, at the date of adoption of the Share Option Scheme, a period of ten (10) years from the Commencement Date (as defined in the Share Option Scheme) of the relevant option).

(vi) Vesting period

An option shall vest and become exercisable in such manner and on such date and for such amount as the Remuneration Committee may from time to time determine, provided that the condition(s) precedent (if applicable) to its vesting set out in the option agreement having been satisfied.

(vii) Acceptance and payment on acceptance

An offer shall remain open for acceptance by the Qualifying Participant concerned for a period of 30 days from the date of the offer (or such longer period as the Remuneration Committee may specify in writing). HKD1.00 is payable by the grantee to the Company on acceptance of the offer of the option. If such remittance is not made upon acceptance, acceptance of an offer shall create a promise by the relevant grantee to pay to the Company HKD1.00 on demand.

(viii) Subscription price

The price per Share at which a grantee may subscribe for Shares on the exercise of an option pursuant to the Share Option Scheme (the "Subscription Price") shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Subscription Price Reference Date (as defined in the Share Option Scheme); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Subscription Price Reference Date; and (iii) the nominal value of a Share.

(ix) Remaining life of the Share Option Scheme

The Board shall be entitled at any time within 10 years commencing on 24 May 2017 to make an offer for the grant of an option to any Qualifying Participant. The remaining life of the Share Option Scheme is approximately 2 years and 2 months from the date of this Annual Report.

Share Award Schemes

The connected employee share award scheme (the "Connected Employee Share Award Scheme") and the employee share award scheme (the "Employee Share Award Scheme") (collectively, the "Share Award Schemes") were adopted by the Company on 1 April 2015. The Connected Employee Share Award Scheme was adopted for chief executive officers, directors, or employees who are connected persons of the Company. The Employee Share Award Scheme was adopted for employees other than those covered under the Connected Employee Share Award Scheme.

On 1 April 2015, the Board resolved to grant (i) Awards (as defined in the Share Award Schemes) for a total of 17,149,000 Award Shares (as defined in the Share Award Schemes) to 15 connected employees^(Note) of the Group under the Connected Employee Share Award Scheme and (ii) Awards for a total of 7,705,000 Award Shares to 13 employees of the Group under the Employee Share Award Scheme respectively at no consideration (collectively, the "Awarded Shares").

The Awarded Shares shall vest upon conditions relating to the Group's performance, and the individual performance being met during the period from 2014 to 2016. The key performance measures were taken with reference to the Group's financial performance and strategic growth. All Awarded Shares disclosed above were either vested in tranches or lapsed between 2015 and 2019. At the beginning and the end of the year ended 31 December 2024, there were no unvested Awards granted under the Share Award Schemes.

During the year ended 31 December 2024, no Award has been granted under the Share Award Schemes. During the year ended 31 December 2024, no Award under the Share Award Schemes was vested, cancelled, or lapsed.

Since the adoption of the Share Award Schemes, 7,143,750 Award Shares (excluding the 17,710,250 Shares lapsed and held in the trusts for the Share Award Schemes, which comprise 13,725,875 Shares for grant under the Connected Employees Share Award Scheme and 3,984,375 Shares for grant under the Employee Share Award Scheme) were utilised under such scheme mandate. Accordingly, the total number of Award Shares available for grant under the Share Award Schemes at the beginning and the end of the year ended 31 December 2024 (based on the then issued Shares) were both 394,219,516 Award Shares.

The terms of the Connected Employee Share Award Scheme and the Employee Share Award Scheme are substantially similar. The material terms of the two schemes are summarised as follows:

(i) Purposes

The purposes of the Share Award Schemes are (i) to promote significant and integrated growth in the coming years through financial achievement, attainment of project milestones and ensuring potential for future growth; (ii) to closely align executive interests with the successful transformation of the Company; (iii) to support sustainable development of the Company; and (iv) to provide a performance-driven long term incentive award to motivate and retain key senior management.

Note: The 15 connected employees of the Group were Mr. Daniel Yim Keung Wan, Mr. Philip Kun To Wong, Mr. Tang Ka Wah, Mr. Charles Wing Ming Chan, Ms. Jessica Ying Wang, Mr. Matthew Qing Guo, Mr. Willie Kim Lun Uy, Mr. Bryan Kin Wang Chan, Mr. Timmy Tat Man Leung, Mr. Adam Kim Fung Li, Mr. Dixon Man, Mr. Allan Bin Zhang, Ms. Sarah Ying Xian Zhang, Mr. Alfred Jun Ao Wu, and Mr. Frankie Kwok Fai Lai. Mr. Daniel Yim Keung Wan, Mr. Philip Kun To Wong, Mr. Tang Ka Wah, Mr. Charles Wing Ming Chan, Mr. Bryan Kin Wang Chan, Mr. Alfred Jun Ao Wu, and Mr. Frankie Kwok Fai Lai have left the Group. Mr. Matthew Qing Guo left the Group in 2018 and rejoined the Group in 2022. The award shares granted but unvested to Mr. Guo lapsed in 2018 when he left the Group.

(ii) Selected participant

The Remuneration Committee may, from time to time, at its absolute discretion, select (i) any individual being an existing chief executive officer, director or employee of any member of the Group (other than Shui On Xintiandi Group Limited (formerly known as China Xintiandi Limited), Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries) who is a connected person of the Company and (ii) any individual being an existing employee or officer of any member of the Group (other than Shui On Xintiandi Group Limited (formerly known as China Xintiandi Limited), Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries) (excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company) to participate in the Connected Employee Share Award Scheme and the Employee Share Award Scheme, respectively (the "Selected Participants"). In determining the Selected Participants, the Remuneration Committee shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group.

(iii) Administration

The Share Award Schemes shall be subject to the administration of the Remuneration Committee and the Trustee (as defined in the Share Award Schemes) in accordance with the terms of the Share Award Schemes and the terms of the Trust Deeds (as defined in the Share Award Schemes). The human resources department of the Company shall assist the Remuneration Committee in relation to the documentations and administrative procedural matters of the Share Award Schemes.

(iv) Scheme limit

The Company shall not make any further grant of Award which will result in the total number of Award Shares granted under the Share Award Schemes to exceed 5% of the total number of issued share capital of the Company from time to time. The total number of Shares available for issue under the Share Award Schemes (based on the then issued Shares at the date of this Annual Report) were 394,219,516 Shares, representing approximately 4.9% of the total issue Shares at the date of this Annual Report.

The maximum number of Award Shares which may be granted to a Selected Participant but unvested under either of the Share Award Schemes shall not exceed 1% of the total number of issued share capital of the Company from time to time.

(v) Vesting of Awards

The Remuneration Committee shall determine from time to time such vesting conditions or vesting periods for the Award Shares to be vested. Unless otherwise determined by the Board at its discretion, the Award Shares shall vest in accordance with the conditions and timetable as set out in the relevant award letter issued to the Selected Participants at the time of grant. Upon satisfaction of applicable vesting criteria and conditions, the Company shall issue a vesting notice to the Selected Participants for the vesting of Awards and direct the Trustee to transfer and release the relevant Award Shares from the Trust to or for the benefit of the relevant Selected Participants.

* For identification purposes only.

DIRECTORS' REPORT

(vi) Settlement of Awards

The Company shall pay to the Trustee monies and give direction(s) or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the funds of the Trust to acquire Shares on the market (the "Purchased Shares") and/or allot and issue Shares (the "Subscribed Shares") to the Trustee to satisfy any Award made to Selected Participants, provided that Awards made to (a) Selected Participants who are not connected persons of the Company shall only be satisfied by Subscribed Shares to the extent that a general mandate is available for the Company to allot new Shares, or a specific approval by shareholders of the Company has been obtained for the issue of Award Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules); and (b) Selected Participants who are connected persons of the Company shall not be satisfied by Subscribed Shares, unless the Company has, where required, obtained the approval by shareholders of the Company for the issue of Award Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules).

(vii) Amount payable on application or acceptance of the Awards and the period within which payments or calls must or may be made or loans for such purposes must be repaid

Selected Participants are not required to make any payment for the application or acceptance of Awards under the Share Award Schemes.

(viii) Basis of determining the purchase price of the Award Shares

It is not applicable as there is no purchase price under the Share Award Schemes.

(ix) Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Schemes, the Share Award Schemes shall be valid and effective for a term of 16 years commencing on 1 April 2015. The remaining life of each of the Share Award Schemes is approximately 6 years from the date of this Annual Report.

The number of shares that may be issued in respect of options and awards granted under the Share Option Scheme and the Share Award Schemes during the year ended 31 December 2024 divided by the weighted average number of Shares in issue for the year ended 31 December 2024 is not applicable since there was no grant of options or awards during the year.

Arrangement to Purchase Shares or Debentures

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Management Contract

No contract by which a person undertakes the management and administration of the whole or any substantial part of the Company's business was entered into or subsisted during the year.

Equity-linked Agreement

Other than the share option schemes and share award schemes adopted by the Company as mentioned in this Annual Report, no equity-linked agreement was entered into by the Company during the year or subsisted at the end of the year.

Purchase, Sale, or Redemption/Cancellation of Listed Securities

On 24 August 2020, SODH issued USD500 million in 6.15% senior notes due 2024 (the "2024 SODH Notes"). On 26 August 2024, SODH fully repaid the principal amount of the outstanding 2024 SODH Notes and the accrued and unpaid interest upon its maturity date.

Save as disclosed above, neither the Company nor its subsidiaries have purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 December 2024.

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 54 to 75 of this Annual Report.

Connected Transactions

Certain related party transactions, as disclosed in Note 39 to the consolidated financial statements, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules, except the following continuing connected transactions and connected transactions that are not fully exempted under Chapter 14A of the Listing Rules. The details of these transactions are disclosed below.

(1) Continuing Connected Transactions in relation to the Framework Agreement for Smart Facility Enhancement Work

On 31 March 2023, SOCAM and the Company entered into a framework agreement (the "Framework Agreement") in relation to the provision of the Smart Facility Enhancement Work (as defined in the Announcement) by member of the SOCAM Group (as defined in the Announcement) to member of the Group commencing on 31 March 2023 and expiring on 31 December 2028 (both days inclusive). Details of the transactions were set out in the announcement of the Company dated 31 March 2023 (the "Announcement").

SOCL is the controlling shareholder of both SOCAM and the Company. SOCL is held under the Bosrich Unit Trust, the units of which are the property of a discretionary trust, of which Mr. Lo (being an executive director and the Chairman of both SOCAM and the Company) is the founder and both Mr. Lo and Ms. Lo (being a non-executive director of SOCAM, an executive director of the Company, and the daughter of Mr. Lo) are discretionary beneficiaries.

Based on the above, SOCAM (being an associate of both Mr. Lo and Ms. Lo) is a connected person of the Company. Accordingly, the entering into of the Framework Agreement constituted continuing connected transactions of the Company under the Listing Rules.

The annual cap of the total fees payable by the Group to the SOCAM Group in relation to the provision of the Smart Facility Enhancement Work for the year ending (i) 31 December 2023 is RMB15,000,000; (ii) 31 December 2024 is RMB15,000,000; (iii) 31 December 2025 is RMB16,000,000; (iv) 31 December 2026 is RMB12,000,000; (v) 31 December 2027 is RMB10,000,000; and (vi) 31 December 2028 is RMB4,000,000.

An amount of approximately RMB1 million was paid and/or is payable by the Group to SOCAM Group for the provision of the Smart Facility Enhancement Work during the year under review.

(2) Connected Transactions in relation to the Sale and Leaseback of Property

On 25 March 2024, Shanghai Panlong Tiandi Co., Ltd. (上海蟠龍天地有限公司) (a non-wholly owned subsidiary of the Company) ("Shanghai Panlong") entered into a disposal agreement with Shanghai Qingpu Xujing Asset Management Co., Ltd. (上海青浦徐涇資產經營管理有限公司) ("Shanghai Qingpu Xujing"), pursuant to which Shanghai Panlong agreed to sell and Shanghai Qingpu Xujing agreed to purchase the land use right of the land parcel located at No.1151, Longlian Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: A02-01) (中國上海市青浦區徐涇鎮龍聯路1151號(地塊編號: A02-01)) and the hotel built thereon (the "Property") at a consideration of approximately RMB105 million (the "Disposal Agreement").

Following the sale, on 25 March 2024, Shanghai Panlong entered into a lease agreement with Shanghai Qingpu Xujing, pursuant to which Shanghai Qingpu Xujing agreed to lease the Property to Shanghai Panlong during the period of fourteen (14) years commencing from the date of delivery as agreed in the lease agreement (the "Lease Agreement"). The total amount of rent payable by Shanghai Panlong to Shanghai Qingpu Xujing under the Lease Agreement shall be approximately RMB77 million. The monthly rent shall be payable in advance on the first day of each calendar month. Shanghai Qingpu Xujing agreed that Shanghai Panlong has the right to sub-lease the Property during the term of the Lease Agreement.

In accordance with the International Financial Reporting Standards ("IFRS") 16 applicable to the Group, the Group recognised the rent to be paid by the Group under the Lease Agreement as an acquisition of a right-of-use asset in its consolidated statement of financial position which constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The value of the right-of-use asset under the Lease Agreement is estimated to be approximately RMB55 million, being the estimated present value of the total rental payments payable throughout the term of the Lease Agreement in accordance with IFRS 16.

Details of the above transactions were set out in the announcement of the Company dated 25 March 2024.

Shanghai Qingpu Xujing is a substantial shareholder of Shanghai Panlong and therefore a connected person of the Company at the subsidiary level. Accordingly, the entering into of each of the Disposal Agreement and the Lease Agreement and the transactions contemplated thereunder constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

(3) Connected Transactions under the Cooperation Agreement and the Limited Partnership Agreement

On 5 November 2024, for the purpose of restructuring the investment holding structure among existing shareholders of Shanghai Yang Pu Centre Development Co., Ltd. (上海楊浦中央社區發展有限公司) ("YPU") and Shanghai Knowledge and Innovation Community Development Co., Ltd. (上海創智天地發展有限公司) ("KIC", together with YPU, the "Project Companies"), Shanghai Tian Xu Chuang Sheng Enterprise Management Co., Ltd. (上海添响創盛企業管理有限公司) (the "Joint Venture"), Shanghai Shui On Investment Group Company Limited (上海瑞安投資集團有限公司) ("Shui On LP"), Bright Continental Limited ("Bright Continental") and Top Victory Development Limited ("Top Victory", each of Shui On LP, Bright Continental and Top Victory a subsidiary of the Company) entered into a cooperation agreement (the "Cooperation Agreement") with Ningbo Meishan Guo Yang Guo Sheng Investment Management Partnership (Limited Partnership) (寧波梅山保税港區國揚果晟投資管理合夥企業(有限合夥)) ("Ningbo Fund"), and Shanghai Yangpu Knowledge Innovation Zone Investment and Development Co., Ltd. (上海楊浦知識創新區投資發展有限公司) ("Yangpu Knowledge Innovation"), pursuant to which, among other things,

- (i) a limited partnership (the "Limited Partnership") has been established in accordance with the terms and conditions of a limited partnership agreement dated 5 November 2024 entered into among the Joint Venture (as the general partner), and Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation (each as a limited partner) (the "Limited Partnership Agreement"), with a total subscribed contribution of approximately RMB8,126,000,000, which will be contributed in cash by the Joint Venture, Shui On LP and Ningbo Fund as to RMB1,000,000, approximately RMB3,802,000,000 and approximately RMB3,654,000,000, respectively, and will be contributed in kind (through the transfer of the 12.2% equity interests in YPU to the Limited Partnership) and the contribution in cash by Yangpu Knowledge Innovation as to approximately RMB669,000,000 in total;
- (ii) the 86.8% equity interests in YPU will be transferred from Bright Continental to the Limited Partnership at the consideration of approximately RMB4,706,000,000; and
- (iii) the 99% equity interests in KIC will be transferred from Top Victory to the Limited Partnership at the consideration of approximately RMB2,668,000,000.

Upon completion of the transactions, (a) the partnership interests of the Limited Partnership will be owned as to approximately 0.01%, 46.79%, 44.97%, and 8.23% by the Joint Venture, Shui On LP, Ningbo Fund, and Yangpu Knowledge Innovation, respectively, and the Limited Partnership will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company; and (b) both YPU and KIC will be owned as to 99% by the Limited Partnership and 1% by Yangpu Knowledge Innovation. YPU and KIC will, however, cease to be the subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Company.

Details of the above transactions were set out in the announcement and circular of the Company dated 5 November 2024 and 29 November 2024, respectively.

As Ningbo Fund and Yangpu Knowledge Innovation are existing direct/indirect shareholders of the Project Companies, Ningbo Fund is an associate of a connected person of the Company at the subsidiary level and Yangpu Knowledge Innovation is a connected person of the Company at the subsidiary level, the above transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs of the Company have reviewed the continuing connected transactions in item (1) above and confirmed that the continuing connected transactions in item (1) above have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) according to the terms of the Framework Agreement that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the Annual Report in accordance with Rule 14A.56 of the Listing Rules.

Directors' Service Contracts

No Director who proposed for re-election at the AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangements, and Contracts of Significance

Save for the related party transactions disclosed in Note 39 to the consolidated financial statements, no transaction, arrangement, and contract to which the Company, or any of the subsidiaries of the Company was a party, and in which a Director of the Company had, at any time during the year, whether directly or indirectly, an interest, (being, in either case, in the opinion of the Directors, a transaction, arrangement, and contract of significance in relation to the Company's business and in which the Director's interest is or was material), subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Business

The following Directors or their associates are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules as set out below:

Name of Directors	Names of entities which are considered to compete or likely to compete with the businesses of the Group	Description of the businesses of the entities which are considered to compete with the businesses of the Group	Nature of interests of the Directors in the entity
Mr. Lo	SOCAM	Property investment in the PRC	Director and controlling shareholder
Mr. Lo	Great Eagle Holdings Limited	Property investment in the PRC	Director
Ms. Lo	SOCAM	Property investment in the PRC	Director

There is a deed of non-competition dated 30 May 2006 (the “Deed”) and entered into between Mr. Lo, SOCL and the Company pursuant to which Mr. Lo and SOCL have given certain undertakings to the Company, among others, that the Company is to be the flagship company of the Shui On Group (that is, SOCL and its subsidiaries and for the purpose of this section “Directors’ Interests in Competing Business”, excluding SOCAM and its subsidiaries) for the Shui On Group’s property development and investment business in the PRC and concerning the Shui On Group’s investment in future property development projects in the PRC. Such information has been disclosed in the Company’s prospectus dated 20 September 2006. In respect of the year ended 31 December 2024, the Company has received from each of Mr. Lo and SOCL a confirmation on compliance with the non-competition undertakings as contemplated under the Deed.

Save as aforesaid, as of the date of this report, none of the Directors of the Company has an interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Disclosure under Rule 13.21 of the Listing Rules

On 3 March 2020, a written agreement (the “2025 SODH Indenture”) was entered into between the Company as guarantor, SODH as issuer, and DB Trustee (Hong Kong) Limited (“DB”) as trustee of the USD400 million in 5.50% senior notes due 2025 issued by SODH (the “2025 SODH Notes”), pursuant to which the 2025 SODH Notes were issued. The 2025 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2025 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2025 SODH Notes, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase. Details of the transaction were set out in the announcement of the Company dated 3 March 2020.

On 20 February 2020, SODH commenced the Exchange and Tender Offer to the Eligible Holders of USD500 million in 5.70% senior notes due 2021 (the “2021 Notes”) and USD500 million in 6.25% senior notes due 2021 (the “2021 SODH Notes”). On 28 February 2020, the Company determined to accept USD64,972,000 for the exchange of the 2021 Notes and USD24,942,000 for the exchange of the 2021 SODH Notes. Pursuant to the Exchange Offer, USD89,914,000 new notes were issued which formed a single series with the 2025 SODH Notes with the aggregate principal amount of USD489,914,000. Details of the transaction were set out in the announcements of the Company dated 20 February 2020, 21 February 2020, 2 March 2020, and 3 March 2020.

On 24 August 2020, a written agreement (the “2024 SODH Indenture”) was entered into between the Company as guarantor, SODH as issuer, and DB as trustee of the 2024 SODH Notes, pursuant to which the 2024 SODH Notes were issued. The 2024 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2024 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2024 SODH Notes, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase. Details of the transaction were set out in the announcement of the Company dated 24 August 2020. On 26 August 2024, SODH fully repaid the principal amount of the outstanding 2024 SODH Notes and the accrued and unpaid interest upon its maturity date.

On 29 June 2021, a written agreement (the “2026 SODH Indenture”) was entered into between the Company as guarantor, SODH as issuer, and DB as trustee of the USD400 million in 5.50% senior notes due 2026 issued by SODH (the “2026 SODH Notes”), pursuant to which the 2026 SODH Notes were issued. The 2026 SODH Indenture provides that upon the occurrence of a change of control (as defined in the 2026 SODH Indenture), the Company or SODH will make an offer to repurchase all outstanding 2026 SODH Notes, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase. Details of the transaction were set out in the announcement of the Company dated 29 June 2021.

Any breach of the above obligations will cause a default in respect of the 2025 SODH Notes and the 2026 SODH Notes, which may trigger cross defaults in other outstanding debts of the Group, in the aggregate amount of approximately RMB7,793 million at 31 December 2024.

DIRECTORS' REPORT

Remuneration Policy

The remuneration policy of the Group to reward its employees is based on individual performance, qualifications, and competence displayed.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance, and comparable market statistics.

Provident and Retirement Fund Schemes

Details of the Group's provident and retirement fund schemes are shown in Note 33 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Sufficiency of Public Float

The Company has maintained a sufficient public float during the year ended 31 December 2024, as required under the Listing Rules.

Charitable Donations

During the year, the Group made charitable donations amounting to approximately RMB2 million (2023: RMB2 million).

Major Customers and Suppliers

For the year ended 31 December 2024, less than 30% of the Group's sales were attributable to the five largest customers combined.

For the year ended 31 December 2024, the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of our total purchases.

Auditor

A resolution will be submitted to the AGM to re-appoint Messrs. Ernst & Young as auditor of the Company.

On behalf of the Board

Vincent H. S. LO
Chairman
28 March 2025

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF SHUI ON LAND LIMITED

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Shui On Land Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 109 to 194, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



TO THE SHAREHOLDERS OF SHUI ON LAND LIMITED – continued

(Incorporated in the Cayman Islands with limited liability)

Key audit matter – continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties stated at fair value</p> <p>We identified the valuation of completed investment properties stated at fair value and investment properties under construction or development at fair value as a key audit matter due to the significance of the balances to the consolidated financial statements and the involvement of management's judgement in determining the fair value.</p> <p>As disclosed in note 13 to the consolidated financial statements, the investment properties are located in the People's Republic of China (the "PRC"). The fair values of completed investment properties and investment properties under construction or development at fair value amounting to RMB38,923 million and RMB1,850 million, respectively, were significant as of 31 December 2024, which in aggregate represented 44% of the Group's total assets. A decrease in fair values of RMB194 million was recognised in the consolidated statement of profit or loss for the year then ended. In estimating the fair values of these investment properties stated at fair value, the Group engaged an independent, qualified professional valuer to perform the valuation.</p> <p>The related disclosures are included in notes 4 and 13 of the consolidated financial statements.</p>	<p>Our procedures in relation to the valuation of completed investment properties stated at fair value and investment properties under construction or development at fair value included:</p> <ul style="list-style-type: none"> • Evaluating the competence, capabilities, and objectivity of the independent, qualified professional valuer; • Obtaining an understanding of the valuation processes and significant assumptions from the management of the Group and the valuer; • Involving our internal valuation specialist to assist us in evaluating the estimations used by management of the Group and the valuer, in particular, the valuation models, assumptions, parameters, and significant inputs used by the management of the Group and the valuer; and • Assessing the key inputs used in the valuation models by comparing the market rent, capitalisation rate, and gross development value, on a sampling basis, against current market data and entity-specific information.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



TO THE SHAREHOLDERS OF SHUI ON LAND LIMITED – continued

(Incorporated in the Cayman Islands with limited liability)

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



TO THE SHAREHOLDERS OF SHUI ON LAND LIMITED – continued

(Incorporated in the Cayman Islands with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements – continued

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Ng.

Ernst & Young
Certified Public Accountants
Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'million	2023 RMB'million
Revenue	5	8,173	9,752
Cost of sales		(2,945)	(4,707)
Gross profit		5,228	5,045
Other income	6	326	411
Selling and marketing expenses		(133)	(175)
General and administrative expenses		(932)	(985)
(Decrease)/increase in fair value of investment properties	13	(207)	32
Gain on disposal of subsidiaries	36	954	–
Other gains and losses	6	(279)	(243)
Share of results of associates and joint ventures		217	781
Finance costs, inclusive of exchange differences	7	(2,027)	(2,167)
Profit before tax	8	3,147	2,699
Tax	9	(2,337)	(1,302)
Profit for the year		810	1,397
Attributable to:			
Shareholders of the Company		180	810
Non-controlling shareholders of subsidiaries		630	587
		810	1,397
Earnings per share attributable to shareholders of the Company	12		
– Basic		RMB2.2 cents	RMB10.1 cents
– Diluted		RMB2.2 cents	RMB10.1 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	2024 RMB'million	2023 RMB'million
Profit for the year	810	1,397
Other comprehensive income/(expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(178)	(384)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	28	25
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	(11)	(34)
Share of other comprehensive income/(expense) of an associate and a joint venture	19	(5)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Remeasurement of defined benefit obligations	4	(1)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	4	6
Other comprehensive expense for the year	(134)	(393)
Total comprehensive income for the year	676	1,004
Total comprehensive income attributable to:		
Shareholders of the Company	45	414
Non-controlling shareholders of subsidiaries	631	590
	676	1,004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	2024 RMB'million	2023 RMB'million
Non-current assets			
Investment properties	13	40,964	49,604
Interests in associates	17	8,641	8,932
Interests in joint ventures	18	14,806	13,696
Property and equipment	14	829	970
Right-of-use assets	15	14	17
Receivables, deposits, and prepayments	19	262	317
Pledged bank deposits	21	416	–
Loans to a non-controlling shareholder of a subsidiary	24	–	8
Deferred tax assets	32	259	230
Other non-current assets		59	67
		66,250	73,841
Current assets			
Properties under development for sale	16	2,694	1,957
Properties held for sale	22	817	1,069
Receivables, deposits, and prepayments	19	714	3,164
Amounts due from associates	17	178	207
Loans to/amounts due from joint ventures	18	11,006	5,967
Loan to a non-controlling shareholder of a subsidiary	24	4	8
Amounts due from related companies	23	407	406
Contract assets	20	93	219
Pledged bank deposits	21	2,364	3,172
Bank balances and cash	21	4,954	5,745
Prepaid taxes		–	79
Assets classified as held for sale	35,36(a)	2,457	5,164
		25,688	27,157
Current liabilities			
Accounts payable, deposits received, and accrued charges	25	3,723	4,183
Contract liabilities	26	1	4,005
Bank and other borrowings	27	4,655	8,410
Senior notes	30	3,569	3,563
Receipts under securitisation arrangements	31	40	40
Tax liabilities		4,171	3,404
Loans from/amounts due to non-controlling shareholders of subsidiaries	24	943	58
Amounts due to associates	17	216	593
Loans from/amounts due to joint ventures	18	48	153
Amounts due to related companies	23	339	346
Liability arising from a rental guarantee arrangement		–	28
Lease liabilities		8	8
Liabilities associated with assets classified as held for sale		–	850
		17,713	25,641
Net current assets		7,975	1,516
Total assets less current liabilities		74,225	75,357
Non-current liabilities			
Bank and other borrowings	27	14,622	9,266
Senior notes	30	2,868	6,335
Receipts under securitisation arrangements	31	4,173	4,319
Deferred tax liabilities	32	3,398	4,677
Accounts payable, deposits received, and accrued charges	25	537	696
Loans from an associate	17	5,825	5,825
Loans from a joint venture	18	36	–
Lease liabilities		92	50
Defined benefit liabilities	33	2	9
Derivative financial instruments		3	31
		31,556	31,208
Capital and reserves			
Share capital	28	146	146
Reserves	29	38,339	38,717
Equity attributable to shareholders of the Company		38,485	38,863
Non-controlling interests		4,184	5,286
Total equity		42,669	44,149
Total equity and non-current liabilities		74,225	75,357

The consolidated financial statements on pages 109 to 194 were approved and authorised for issue by the Board of Directors on 28 March 2025 and are signed on its behalf by:

VINCENT H. S. LO
DIRECTOR

DOUGLAS H. H. SUNG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Attributable to shareholders of the Company				Non-controlling interests RMB'million	Total RMB'million
	Share capital RMB'million	Reserves RMB'million (note 29)	Retained earnings RMB'million	Sub-total RMB'million		
On 1 January 2023	146	16,908	22,096	39,150	5,251	44,401
Profit for the year	–	–	810	810	587	1,397
Exchange differences arising on translation of foreign operations	–	(384)	–	(384)	–	(384)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	–	25	–	25	–	25
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	–	(34)	–	(34)	–	(34)
Remeasurement of defined benefit obligations	–	–	(1)	(1)	–	(1)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	–	3	–	3	3	6
Share of other comprehensive expense of an associate and a joint venture	–	(5)	–	(5)	–	(5)
Total comprehensive income/(expense) for the year	–	(395)	809	414	590	1,004
Capital injection by non-controlling shareholders of subsidiaries	–	–	–	–	35	35
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	(28)	(28)
Dividend declared to non-controlling shareholders of subsidiaries	–	–	–	–	(343)	(343)
Repayment of equity loans from a non-controlling shareholder of subsidiaries	–	–	–	–	(219)	(219)
2023 interim dividend	–	–	(235)	(235)	–	(235)
2022 final dividend	–	–	(466)	(466)	–	(466)
On 31 December 2023	146	16,513*	22,204*	38,863	5,286	44,149

	Attributable to shareholders of the Company				Non-controlling interests RMB'million	Total RMB'million
	Share capital RMB'million	Reserves RMB'million (note 29)	Retained earnings RMB'million	Sub-total RMB'million		
On 1 January 2024	146	16,513	22,204	38,863	5,286	44,149
Profit for the year	–	–	180	180	630	810
Exchange differences arising on translation of foreign operations	–	(178)	–	(178)	–	(178)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	–	28	–	28	–	28
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	–	(11)	–	(11)	–	(11)
Remeasurement of defined benefit obligations	–	–	4	4	–	4
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	–	3	–	3	1	4
Share of other comprehensive expense of an associate and a joint venture	–	19	–	19	–	19
Total comprehensive income/(expense) for the year	–	(139)	184	45	631	676
Capital injection by non-controlling shareholders of subsidiaries	–	–	–	–	2	2
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	(28)	(28)
Dividend declared to non-controlling shareholders of subsidiaries	–	–	–	–	(30)	(30)
Repayment of equity loans from a non-controlling shareholder of subsidiaries	–	–	–	–	(155)	(155)
Disposal of subsidiaries (note 36)	–	–	–	–	(590)	(590)
Reclassification of equity loans from a non-controlling shareholder of subsidiaries (note 24)	–	–	–	–	(932)	(932)
2023 final dividend	–	–	(423)	(423)	–	(423)
On 31 December 2024	146	16,374*	21,965*	38,485	4,184	42,669

* These reserve accounts comprise the consolidated reserves of RMB38,339 million (2023: RMB38,717 million) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'million	2023 RMB'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,147	2,699
Adjustments for:			
Depreciation of property and equipment		87	116
Net foreign exchange difference		–	(46)
Share of results of associates and joint ventures		(217)	(781)
Finance costs, inclusive of exchange differences	7	2,027	2,167
Gain arising from hedging activities	6	–	(14)
Interest income		(267)	(371)
Decrease/(increase) in fair value of investment properties		207	(32)
Gain on redemption of senior notes		–	(25)
Gain on disposal of subsidiaries	36	(954)	–
Provision/(reversal of provision) for impairment of properties held for sale		24	(6)
Provision for impairment losses under the expected credit loss model		287	1
(Increase)/decrease in fair value of financial instruments	6	(50)	166
Depreciation of right-of-use assets		3	3
		4,294	3,877
Decrease/(increase) in receivables, deposits and prepayments		2,254	(1,582)
Decrease in contract assets		126	103
(Increase)/decrease in properties under development for sale and held for sale		(494)	3,493
Decrease in amounts due from related companies		7	5
Decrease in amounts due to related companies		(7)	(11)
Decrease/(increase) in amounts due from joint ventures		63	(242)
(Decrease)/increase in amounts due to joint ventures		(70)	18
Decrease/(increase) in amounts due from associates		179	(14)
(Decrease)/increase in amounts due to associates		(5)	3
Decrease in amounts due to non-controlling shareholders of subsidiaries		(47)	–
Decrease in prepaid taxes		79	5
Decrease in contract liabilities		(4,004)	(1,411)
Decrease in accounts payable, deposits received and accrued charges		(446)	(1,059)
Decrease in liability arising from a rental guarantee arrangement		(28)	–
Decrease in defined benefit liabilities		(3)	(4)
Cash generated from operations		1,898	3,181
Tax paid		(1,294)	(2,067)
Net cash generated from operating activities		604	1,114

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'million	2023 RMB'million
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		110	218
Additions to investment properties		(25)	(154)
Advances to joint ventures		(59)	(159)
Repayments from joint ventures		796	204
Repayments from a non-controlling shareholder of a subsidiary		12	6
Investments in joint ventures		(797)	(1,382)
Proceeds from disposal of subsidiaries	36	2,169	–
Dividend received from a joint venture		388	139
Others		(26)	(225)
Net cash generated from/(used in) investing activities		2,568	(1,353)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	42 (b)	(14)	(12)
Repayment of receipts under securitisation arrangements		(40)	(30)
Issue of receipts under securitisation arrangements		–	4,400
Direct transaction costs related to issue of receipts under securitisation arrangements		(5)	(10)
Drawdown of bank and other borrowings		9,262	8,583
Repayments of bank and other borrowings		(7,310)	(10,718)
Decrease/(increase) in pledged bank deposits		392	(980)
Settlement for derivative financial instruments designated as cash flow hedge		50	456
Repayment of senior notes	30	(3,520)	(3,611)
Interest paid		(2,119)	(2,220)
Payment of dividends		(423)	(701)
Dividend payment to non-controlling shareholders of subsidiaries		(30)	(356)
Capital injected by non-controlling shareholders of subsidiaries		2	35
Capital reduction paid to non-controlling shareholders of subsidiaries		(28)	(159)
Repayment to non-controlling shareholders of subsidiaries		(155)	(219)
Loans from joint ventures		86	87
Loans from an associate		–	250
Repayment to a joint venture		(60)	–
Others		–	100
Net cash used in financing activities		(3,912)	(5,105)
Net decrease in cash and cash equivalents		(740)	(5,344)
Cash and cash equivalents at the beginning of the year		5,810	11,176
Effect of foreign exchange rate changes, net		(116)	(22)
Cash and cash equivalents at the end of the year		4,954	5,810
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	21	4,954	5,745
Bank balances and cash included in assets classified as held for sale		–	65
		4,954	5,810

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Corporate and group information

Shui On Land Limited (the “Company”) was incorporated on 12 February 2004 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 4 October 2006. The Company’s ultimate holding company is Shui On Company Limited (“SOCL”), a private limited liability company incorporated in the British Virgin Islands (“BVI”).

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. The principal activities of the Company’s major subsidiaries are set out in note 45. The Company and its subsidiaries are hereinafter collectively referred to as the Group.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

The Group’s financial statements have been prepared on a historical cost basis, except for certain investment properties, derivative financial instruments, and liabilities arising from a rental guarantee arrangement measured at fair value. The consolidated financial statements are presented in Renminbi (“RMB”), and all values are rounded to the nearest million except where otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (that is, existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income is attributed to the owners of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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

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

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

2.3 Issued but not yet effective IFRSs – continued

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 Issued but not yet effective IFRSs – continued

- *IAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

3. Material accounting policies

Fair value measurement

The Group measures its investment properties, derivative financial instruments, and liability arising from a rental guarantee arrangement at fair value at the end of each reporting period. Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability occurs either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value, which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation per the contractual terms, economic circumstances, and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in the host contracts of the acquiree.

3. Material accounting policies – continued

Business combinations – continued

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value, and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration classified as equity is not remeasured, and subsequent settlement is accounted for within equity.

Related parties

A party is related to the Group if:

(a) the party is a person or a close member of that person's family, and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary, or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

3. Material accounting policies – continued

Investment properties – continued

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of use change. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property and equipment” for owned property and/or accounts for such property in accordance with the policy stated under “Right-of-use assets” for property held as a right-of-use asset up to the date of use change, any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property and equipment” below. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its carrying amount is recognised in the statement of profit or loss.

Non-current assets held for sale

The Group classifies non-current assets (principally investment property) and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expenses.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Property and equipment, and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Investment property held for sale continues to be measured at fair value.

Properties under development for sale

Properties under development for sale that are intended to be sold upon completion of development are classified as current assets. Properties under development for sale are carried at the lower of cost or net realisable value. Cost is determined on a specific identification basis, including allocation of the related development expenditure incurred and, where appropriate, borrowing costs capitalised. The net realisable value represents the estimated selling price for the properties less the estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to properties held for sale upon completion of development activities, which is when the relevant completion certificates are issued by the respective government authorities.

Properties held for sale

Properties held for sale are classified as current assets. Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis, including allocation of the related development expenditure incurred, and where appropriate, borrowing costs capitalised. The net realisable value represents the estimated selling price for the properties less the estimated cost to completion and costs necessary to make the sales.

3. Material accounting policies – continued

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets, deferred tax assets, investment properties, and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

3. Material accounting policies – continued

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Rental and other trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from Contracts with Customers in accordance with the policies set out for "Revenues from contracts with customers" below.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("FVTOCI"), it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is called the SPPI test and is performed at an instrument level. Financial assets with cash flows not SPPI are classified and measured at fair value through profit or loss ("FVTPL"), irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model of holding financial assets to collect contractual cash flows, while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets that are not held within the aforementioned business models are classified and measured at FVTPL.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified, or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. Material accounting policies – continued

Financial assets – continued

Derecognition – continued

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due per the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the default timing (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. It considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due unless the Group has reasonable and supportable information that demonstrates otherwise. However, in certain cases, the Group may also consider a financial asset to default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach, and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets, which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For rental and other trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For a rental receivable, the cash flows used for determining the ECL are consistent with the cash flows used in measuring the rental receivable in accordance with IFRS 16.

3. Material accounting policies – continued

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, amounts due to joint ventures, loans from/amounts due to associates, amounts due to related companies, amounts due to non-controlling shareholders of subsidiaries, bank and other borrowings, senior notes, lease liabilities, receipts under securitisation arrangements and liability arising from a rental guarantee arrangement.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, accounts payable, deposits received, and accrued charges, amounts due to associates, loans from an associate, amounts due to joint ventures, loans from a joint venture, amounts due to related companies, amounts due to non-controlling shareholders of subsidiaries, receipts under securitisation arrangements, senior notes, bank and other borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the effective interest rate amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. A recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for some time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3. Material accounting policies – continued

Leases – continued

Group as a lessee – continued

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms, and the estimated useful lives of the assets are as follows:

Leasehold land	20 to 50 years
Leased properties	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as properties under development for sales or properties held for sale, they are subsequently measured at the lower of cost and net realisable value per the Group's policy for "properties under development for sales" or "properties held for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost and subsequently measured at fair value per the Group's policy for "investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably sure to be exercised by the Group and payments of penalties for a lease termination if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

3. Material accounting policies – continued

Leases – continued

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its *leases* as either an operating or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, i.e., assets that necessarily take a substantial period to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. Material accounting policies – continued

Income tax – continued

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period. They are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same tax authority.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense, or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of the initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of certain overseas subsidiaries is USD or HKD. At the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period, and their statements of profit or loss are translated into RMB at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used.

The resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of "Exchange reserve", except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of the closing date.

3. Material accounting policies – continued

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component that provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component that provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenue from lease

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period they are incurred.

Rendering of services

Revenue from the provision of property management and real estate asset management service is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Construction services

Revenue from the provision of construction services is recognised over time, using an input or output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for the scope of work not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established. It is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

3. Material accounting policies – continued

Revenue recognition – continued

Contract liabilities

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as property under development for sale, property held for sale, property and equipment, and intangible assets, costs incurred to fulfil a contract with a customer is capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Bank balances and cash

Bank balances and cash in the statement of financial position comprise cash on hand and at banks and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for meeting short-term cash commitments.

For the consolidated statement of cash flows, bank balances and cash comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. Material accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, their accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue recognition from sales of properties at a point in time

Control of the asset is transferred over time when the Group's performance does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date. Significant judgment is required in determining whether the terms of the Group's contracts with customers concerning properties create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those relevant contracts and opinions from external legal counsel. Based on the assessment of the Group's management, the terms of the relevant sales contracts do not create an enforceable right to payment for the Group. Accordingly, the sales of properties are considered to be performance obligations satisfied at a point in time.

4. Material accounting judgements and estimates – continued

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Fair value measurements and valuation processes

The Group's certain assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the management of the Group uses market-observable data to the extent it is available. Where Level 1 inputs are unavailable, the Group engages third-party qualified valuers to perform the valuation. At the end of the reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The management of the Group will first consider and adopt Level 2 inputs, where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the management of the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of an asset or a liability, the causes of the fluctuations will be reported to the directors of the Company for appropriate actions to be taken.

Information about the valuation techniques, inputs and key assumptions used in determining the fair value of various assets and liabilities is disclosed in notes 13 and 41 (c).

Land appreciation tax

The Group is subject to land appreciation tax in the People's Republic of China (the "PRC"). However, the implementation and settlement of the tax vary amongst different tax jurisdictions in various cities of the PRC and the Group has not finalised its land appreciation tax calculation and payments with local tax authorities for the properties already sold in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation tax and its related income tax provisions. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax provisions in the periods in which such tax is finalised with local tax authorities.

Estimated impairment of properties under development for sale and properties held for sale

Properties under development for sale and properties held for sale are stated at lower of cost or net realisable value. The net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions), less estimated selling expenses and estimated cost of completion (if any), which are determined based on the best available information. Where there is any decrease in the estimated selling price arising from any changes to the property market conditions in the PRC, a further loss will be recognised on the properties under development for sale and properties held for sale in the consolidated statement of profit or loss.

5. Revenue and segment information

A. Disaggregation of revenue from contracts with customers

	2024 RMB'million	2023 RMB'million
Property development:		
Property sales	4,356	5,898
	4,356	5,898
Property management:		
Property management fee income	608	580
	608	580
Construction	395	328
Others	358	548
	5,717	7,354
Geographical markets		
Shanghai	1,285	6,792
Wuhan	4,236	328
Foshan	141	148
Chongqing	31	60
Nanjing	24	26
	5,717	7,354
Timing of revenue recognition		
At a point in time	4,356	5,898
Over time	1,361	1,456
	5,717	7,354

The following table shows the amounts of revenue recognised in the current reporting year that was included in the contract liabilities at the beginning of the reporting year:

	2024 RMB'million	2023 RMB'million
Revenue recognised that was included in contract liabilities at the beginning of the reporting year:		
Sale of properties	4,005	5,409
	4,005	5,409

5. Revenue and segment information – continued

B. Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

For the year ended 31 December 2024

	RMB'million
Property development:	
Property sales	4,356
Property management:	
Property management fee income	608
Construction	395
Others	358
Revenue from contracts with customers	5,717
Property investment	
(property investment segment)	
Rental income from investment properties (Note)	2,167
Rental-related income	289
	8,173

Note:

	2024 RMB'million
For operating leases:	
Fixed lease payment	2,055
Variable lease payments that do not depend on an index or a rate	112
	2,167

5. Revenue and segment information – continued

B. Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information – continued

For the year ended 31 December 2023

	RMB'million
Property development:	
Property sales	5,898
Property management:	
Property management fee income	580
Construction	328
Others	548
Revenue from contracts with customers	7,354
Property investment	
(property investment segment)	
Rental income from investment properties (Note)	2,136
Rental-related income	262
	9,752

Note:

	2023 RMB'million
For operating leases:	
Fixed lease payment	2,019
Variable lease payments that do not depend on an index or a rate	117
	2,136

Property sales

Revenue from sales of residential properties is recognised at a point in time when the completed property is transferred to the customer, being at the point that the customer obtains control of the completed property and the Group has the present right to payment and collection of the consideration is probable.

The Group receives payments from customers based on billing schedules as established in the property sales contracts. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

Construction services

The Group provides building construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using the input or output method.

The Group's construction contracts include payment schedules, which require stage payments over the construction period once certain specified milestones are reached.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed, representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically achieves specified milestones and thus has the right to bill the customers when the progress certificate, settlement letter, or payment notice is obtained.

5. Revenue and segment information – continued

B. Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information – continued

Property management services

Revenue from property management services is recognised over time when such services are rendered. The property management service fees are billed to the clients periodically.

Rental and rental-related income

The Group's accounting policy for revenue recognition from operating leases is described in the accounting policy for leases.

C. Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of 31 December 2024 and the expected timing of recognising revenue is as follows:

	Sales of properties RMB'million
Within one year	1

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of 31 December 2023 and the expected timing of recognising revenue is as follows:

	Sales of properties RMB'million
Within one year	4,005

D. Operating segments

Operating segments are identified from the financial information provided regularly to the Group's chief operating decision maker ("CODM") (i.e., the executive directors and the chairman of the Group) for the purposes of allocating resources to and assessing the performance of, the Group's various lines of business.

The Group is organised based on its business activities and has the following four major reportable segments:

- Property development – development and sale of properties
- Property investment – offices and commercial/mall leasing
- Property management – provision of daily management service of properties
- Construction – construction, interior fitting-out, renovation and maintenance of building premises

The property development and property investment projects of the Group are located in Shanghai, Wuhan, Foshan, Chongqing, and Nanjing, the PRC, and their revenues are primarily derived from property sales and leasing, respectively. The directors of the Company consider that the various operating segments under property development, property investment, property management, and construction segments are aggregated for financial reporting purposes because those segments have similar characteristics in terms of the production process, class of customers, and distribution method and are under similar economic conditions and subject to similar regulatory policies.

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5. Revenue and segment information – continued

For the year ended 31 December 2024

	Reportable segments						Consolidated RMB'million
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million	Others RMB'million	
SEGMENT REVENUE							
Segment revenue of the Group	4,356	2,456	608	395	7,815	358	8,173
SEGMENT RESULTS							
Segment results of the Group	2,613	1,565	113	30	4,321	45	4,366
Interest income							267
Share of results of associates and joint ventures							217
Finance costs, inclusive of exchange differences							(2,027)
Gain on disposal of subsidiaries							954
Other gains and losses							(279)
Unallocated income							59
Unallocated expenses							(410)
Profit before tax							3,147
Tax							(2,337)
Profit for the year							810
OTHER INFORMATION							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital additions of completed investment properties and property and equipment	6	23	1	–	30	9	39
Depreciation of property and equipment	17	18	2	–	37	50	87
Depreciation of right-of-use assets	–	–	–	–	–	3	3
Decrease in fair value of investment properties	–	(207)	–	–	(207)	–	(207)
FINANCIAL POSITION							
ASSETS							
Segment assets	4,094	43,912	46	223	48,275	711	48,986
Interests in associates							8,641
Interests in joint ventures							14,806
Loans to/amounts due from joint ventures							11,006
Loans to/amounts due from associates							178
Amounts due from related companies							407
Unallocated corporate assets							7,914
Consolidated total assets							91,938
LIABILITIES							
Segment liabilities	2,208	989	172	443	3,812	90	3,902
Unallocated corporate liabilities							45,367
Consolidated total liabilities							49,269

5. Revenue and segment information – continued

For the year ended 31 December 2023

	Reportable segments						
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million	Others RMB'million	Consolidated RMB'million
SEGMENT REVENUE							
Segment revenue of the Group	5,898	2,398	580	328	9,204	548	9,752
SEGMENT RESULTS							
Segment results of the Group	2,253	1,725	86	39	4,103	223	4,326
Interest income							371
Share of results of associates and joint ventures							781
Finance costs, inclusive of exchange differences							(2,167)
Other gains and losses							(243)
Unallocated income							43
Unallocated expenses							(412)
Profit before tax							2,699
Tax							(1,302)
Profit for the year							1,397
OTHER INFORMATION							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital additions of completed investment properties and property and equipment	42	8	–	–	50	29	79
Development costs for investment properties under construction or development	–	294	–	–	294	–	294
Depreciation of property and equipment	45	15	–	–	60	56	116
Depreciation of right-of-use assets	1	–	–	–	1	2	3
Increase in fair value of investment properties	–	32	–	–	32	–	32
FINANCIAL POSITION							
ASSETS							
Segment assets	5,542	55,355	38	397	61,332	709	62,041
Interests in associates							8,932
Interests in joint ventures							13,696
Loans to/amounts due from joint ventures							5,967
Loans to/amounts due from associates							207
Amounts due from related companies							406
Unallocated corporate assets							9,749
Consolidated total assets							100,998
LIABILITIES							
Segment liabilities	6,843	1,534	190	319	8,886	84	8,970
Unallocated corporate liabilities							47,879
Consolidated total liabilities							56,849

5. Revenue and segment information – continued

Segment results represent the profit earned or loss incurred by each segment without allocation of central administration costs, directors' salaries, interest income, the share of results of associates and joint ventures, gain on disposal of subsidiaries, other gains and losses, finance costs inclusive of exchange differences, and other unallocated income/expense. This is the measure reported for resource allocation and performance assessment.

For monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates, interests in joint ventures, amounts due from associates, amounts due from joint ventures, amounts due from related companies, deferred tax assets, derivative financial instruments, pledged bank deposits, bank balances and cash, prepaid taxes, and other unallocated corporate assets; and
- all liabilities are allocated to reportable segments other than amounts due to associates, liability arising from a rental guarantee arrangement, lease liabilities, amount due to a joint venture, amounts due to related companies, amounts due to non-controlling shareholders of subsidiaries, tax liabilities, deferred tax liabilities, derivative financial instruments, defined benefit liabilities, bank and other borrowings, senior notes, receipts under securitisation arrangements and other unallocated corporate liabilities.

Over 90% of the Group's revenue and contribution to operating profit are attributable to customers in the PRC for both years. Accordingly, no analysis of the geographical segment is presented.

No geographical segment information of the Group's non-current assets is shown, as the assets are substantially located in the PRC.

During the years ended 31 December 2024 and 2023, there were no revenues from transactions with a single external customer that accounted for 10% or more of the revenue of the Group.

6. Other income, other gains and losses

	2024 RMB'million	2023 RMB'million
Other income		
Interest income from banks	110	201
Interest income from loans to joint ventures (note 39)	157	170
Grants received from local governments	35	32
Others	24	8
	326	411
Other gains and losses		
Provision for impairment losses under the expected credit loss model	(287)	(1)
Gain/(loss) from fair value change of derivative financial instruments	50	(166)
Gain from hedging activities	–	14
Others	(42)	(90)
	(279)	(243)

7. Finance costs, inclusive of exchange differences

	2024 RMB'million	2023 RMB'million
Interest on bank and other borrowings	1,134	1,175
Interest on senior notes (note 30)	503	764
Interest on receipts under securitisation arrangements	185	128
Interest on loans from an associate and joint ventures	151	223
Interest expenses from lease liabilities	4	3
Total interest costs	1,977	2,293
Less: amount capitalised to investment properties under construction or development and properties under development for sale	(133)	(220)
Interest expenses charged to profit or loss	1,844	2,073
Net exchange loss on bank and other borrowings and other financing activities	102	37
Others	81	57
	2,027	2,167

Borrowing costs capitalised during the year were calculated by applying a capitalisation rate of approximately 4.4% (2023: 4.9%) per annum to expenditure on the qualifying assets.

8. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	2024 RMB'million	2023 RMB'million
Auditor's remuneration		
– audit services	5	5
Depreciation of property and equipment	87	116
Depreciation of right-of-use assets	3	3
Employee benefits expenses		
Directors' emoluments		
Fees	5	5
Salaries, bonuses, and other benefits	37	40
	42	45
Other staff costs		
Salaries, bonuses, and other benefits	927	940
Retirement benefits cost	53	52
	980	992
Total employee benefits expenses	1,022	1,037
Less: amount capitalised to investment properties under construction or development and properties under development for sale	(45)	(92)
	977	945
Provision for impairment losses on receivables	287	1
Cost of properties sold recognised as an expense	1,543	3,500
The net impact of provision/(reversal of provision) for impairment losses on properties held for sale (included in "cost of sales")	24	(6)
Lease payments relating to short-term leases and low-value leases	3	4

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9. Tax

	2024 RMB'million	2023 RMB'million
Hong Kong profits tax		
– Charge for the year	7	10
PRC enterprise income tax ("EIT")		
– Charge for the year	832	832
PRC withholding tax		
– Charge for the year	495	139
PRC land appreciation tax ("LAT")		
– Charge for the year	1,225	397
Deferred tax (note 32)		
– Credit for the year	(222)	(76)
	2,337	1,302

Hong Kong profits tax has been provided at 16.5% on the estimated assessable profits arising in Hong Kong during the years.

PRC EIT has been provided for at the applicable income tax rate of 25% on the estimated assessable profits of the PRC companies in the Group during the years.

The PRC EIT Law requires withholding tax to be levied on the distribution of profits earned by PRC entities for profits generated after 1 January 2008 at a rate of 5% for Hong Kong resident companies and at a rate of 10% (5% if obtained from Hong Kong residents) for companies incorporated in BVI and Republic of Mauritius ("Mauritius"), which are the beneficial owners of the dividend received. As of 31 December 2024, and 31 December 2023, the deferred tax was provided for in respect of the temporary differences attributable to such profits, except to the extent that the Group can control the timing of the reversal of such temporary differences, and, probably, that such temporary differences would not be reversed in the foreseeable future.

The provision of PRC LAT is estimated per the requirements outlined in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates of the appreciation value, with certain allowable deductions, including land costs, borrowing costs, and the relevant property development expenditures.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	2024 RMB'million	2023 RMB'million
Profit before tax	3,147	2,699
PRC EIT at 25%	787	675
PRC LAT	1,225	397
Tax effect of PRC LAT	(306)	(99)
Additional withholding tax arising on reorganization and disposals of subsidiaries	202	–
Net effect of withholding tax at 5% on the distributable profit of the Group's PRC subsidiaries	50	71
Tax effect of share of results of associates and joint ventures	(54)	(195)
Expenses not deductible for tax	427	450
Income not subject to tax	(24)	(14)
Tax losses not recognised	165	156
Utilisation of tax losses previously not recognised	(4)	(4)
Effect of different applicable tax rates	(131)	(135)
Tax charge for the year	2,337	1,302

10. Directors' emoluments and five highest-paid employees

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

Year ended 31 December 2024

Name of Directors	Notes	Performance related incentive					Total
		Fees	Salaries	Other benefits	payments – cash bonus	Retirement benefit cost	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Vincent H.S. LO	(a)	–	–	–	–	–	–
Ms. Stephanie B.Y. LO	(b)	–	5,542	7	3,820	239	9,608
Ms. Jessica Y. WANG	(c)	–	6,781	39	4,704	145	11,669
Mr. Douglas H.H. SUNG	(d)	–	6,532	5,379	4,483	–	16,394
Professor Gary C. BIDDLE	(e)	894	–	–	–	–	894
Dr. Roger L. McCARTHY	(g)	250	–	–	–	–	250
Mr. Anthony J. L. NIGHTINGALE	(e)	611	–	–	–	–	611
Mr. Shane S.TEDJARATI	(e)	661	–	–	–	–	661
Ms. Ya Ting WU	(e)	525	–	–	–	–	525
Mr. Albert K. P. NG	(e)	611	–	–	–	–	611
Mr. Gregory K. L. SO	(e)	502	–	–	–	–	502
Ms. Randy W. S. LAI	(e)	474	–	–	–	–	474
		4,528	18,855	5,425	13,007	384	42,199

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10. Directors' emoluments and five highest-paid employees – continued

Year ended 31 December 2023

Name of Directors	Notes	Fees	Salaries	Other	Performance related incentive payments –	Retirement	Total
		RMB'000	RMB'000	benefits RMB'000	cash bonus RMB'000	benefit cost RMB'000	RMB'000
Mr. Vincent H.S. LO	(a)	–	–	–	–	–	–
Ms. Stephanie B.Y. LO	(b)	–	5,474	8	4,292	236	10,010
Ms. Jessica Y. WANG	(c)	–	6,781	45	5,880	143	12,849
Mr. Douglas H.H. SUNG	(d)	–	6,265	5,763	5,100	–	17,128
Professor Gary C. BIDDLE	(e)	883	–	–	–	–	883
Dr. Roger L. McCARTHY	(e)	604	–	–	–	–	604
Mr. David J. SHAW	(f)	197	–	–	–	–	197
Mr. Anthony J. L. NIGHTINGALE	(e)	604	–	–	–	–	604
Mr. Shane S. TEDJARATI	(e)	653	–	–	–	–	653
Ms. Ya Ting WU	(e)	518	–	–	–	–	518
Mr. Albert K. P. NG	(e)	604	–	–	–	–	604
Mr. Gregory K. L. SO	(e)	248	–	–	–	–	248
Ms. Randy W. S. LAI	(e)	234	–	–	–	–	234
		4,545	18,520	5,816	15,272	379	44,532

Notes:

(a) An executive director and the chairman of the Company.

(b) An executive director and the vice chairman of the Company.

(c) An executive director and the chief executive officer of the Company.

(d) An executive director, the chief financial officer and the chief investment officer of the Company.

(e) Independent non-executive directors of the Company.

(f) Mr. David J. SHAW retired from office and ceased to be an independent non-executive director effective 24 May 2023.

(g) Dr. Roger L. McCARTHY retired from office and ceased to be an independent non-executive director effective 28 May 2024.

10. Directors' emoluments and five highest-paid employees – continued

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The five highest-paid employees of the Group during the year included three directors (2023: three directors), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining two (2023: two) highest-paid employees who are not a director of the Company are as follows:

	2024 RMB'million	2023 RMB'million
Salaries	11	10
Other benefits	3	2
Performance related incentive payments	5	6
	19	18

The emoluments of the remaining highest paid employees were within the following bands:

	2024 Number of employees	2023 Number of employees
Emolument bands		
HKD8,000,001 – HKD8,500,000	–	1
HKD9,000,001 – HKD9,500,000	1	–
HKD11,000,001 – HKD11,500,000	1	–
HKD12,000,001 – HKD12,500,000	–	1
	2	2

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Certain executive directors of the Company are entitled to cash bonus payments which are determined based on the Group's and directors' performance.

11. Dividends

	2024 RMB'million	2023 RMB'million
Dividends recognised as distribution during the year:		
No interim dividend in 2024 (2023: Interim dividend paid in respect of 2023 of HKD0.032 per share)	–	235
Final dividend paid in respect of 2023 of HKD0.058 per share (2023: final dividend paid in respect of 2022 of HKD0.064 per share)	423	466
	423	701

A final dividend for the year ended 31 December 2024 of HKD0.036 per share (2023: HKD0.058 per share), amounting to HKD289 million (equivalent to RMB268 million translated using the exchange rate of 0.92604 as of 31 December 2024) in the aggregate, was proposed by the Board on 28 March 2025 and is subject to the approval of the shareholders at the forthcoming annual general meeting.

12. Earnings per share

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

	2024 RMB'million	2023 RMB'million
Earnings		
Earnings for basic/diluted earnings per share, being profit for the year attributable to shareholders of the Company	180	810

	2024 'million	2023 'million
Number of shares		
The weighted average number of ordinary shares for basic earnings per share (note (a))	8,009	8,009
Effect of dilutive potential ordinary shares	–	–
The weighted average number of ordinary shares for diluted earnings per share	8,009	8,009
Basic earnings per share (note (b))	RMB2.2 cents HKD2.4 cents	RMB10.1 cents HKD11.2 cents
Diluted earnings per share (note (b))	RMB2.2 cents HKD2.4 cents	RMB10.1 cents HKD11.2 cents

Notes:

(a) The weighted average number of ordinary shares shown above has been arrived at after deducting the weighted average effect on 17,710,250 (2023: 17,710,250) shares held by a share award scheme trust as set out in note 34.

(b) The figures expressed in Hong Kong dollars presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1.000 to HKD1.0962 for 2024 and RMB1.000 to HKD1.1098 for 2023, being the average exchange rates that prevailed during the respective years.

13. Investment properties

	Completed investment properties RMB'million	Investment properties under construction or development at fair value RMB'million	Investment properties under construction or development at cost RMB'million	Investment property sublease of right-of-use assets RMB'million	Total RMB'million
On 1 January 2023	47,193	4,297	91	84	51,665
Increase/(decrease)	(6)	286	8	–	288
Increase/(decrease) in fair value of the investment properties recognised in profit or loss	136	(94)	–	(10)	32
Transfer upon construction commenced	–	21	(21)	–	–
Transfer upon completion	2,639	(2,639)	–	–	–
Transfer to property and equipment	(36)	–	–	–	(36)
Transfer from property and equipment and right-of-use assets	260	–	–	–	260
Transfer to assets classified as held for sale	(2,605)	–	–	–	(2,605)
On 31 December 2023	47,581	1,871	78	74	49,604
On 31 December 2023					
– Stated at fair value	47,581	1,871	–	74	49,526
– Stated at cost	–	–	78	–	78
On 1 January 2024	47,581	1,871	78	74	49,604
Increase	25	–	–	52	77
Decrease in fair value of the investment properties recognised in profit or loss	(173)	(21)	–	(13)	(207)
Transfer from property and equipment	47	–	–	–	47
Disposal of subsidiaries	(8,557)	–	–	–	(8,557)
On 31 December 2024	38,923	1,850	78	113	40,964
On 31 December 2024					
– Stated at fair value	38,923	1,850	–	113	40,886
– Stated at cost	–	–	78	–	78

13. Investment properties – continued

The Group is in the process of obtaining land use rights certificates in respect of investment properties under construction or development with the aggregate amount of RMB78 million (2023: RMB78 million). The directors of the Company believe that the relevant land use rights certificates will be granted in due course, and the absence of land use rights certificates does not impair the value of the relevant properties.

The fair values of the Group's completed investment properties and investment properties under construction or development at fair value as at 31 December 2024 and 31 December 2023, and the fair values of properties at the dates of transfer to/from investment properties have been arrived at on the basis of valuations carried out on those dates by Knight Frank Petty Limited, independent qualified professional valuers not connected to the Group.

For completed investment properties and investment properties sublease of right-of-use assets, the valuations have been arrived at by using the income approach term and reversion method by capitalizing the net income shown on tenancy schedules, and the market rentals of all lettable units of the properties, which are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted refers to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

For investment properties under construction or development that are measured at fair value, the valuations have been arrived at assuming that the investment properties will be completed per the development proposals and that the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement. Costs of development are also taken into account, including construction costs, finance costs and professional fees, as well as the developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuers based on its analysis of recent land transactions and market value of similar completed properties in the respective locations.

In estimating the fair value of the properties, the management of the Group has considered the highest and best use of the properties.

13. Investment properties – continued

The major inputs used in the fair value measurement of the Group's major investment properties as of 31 December 2024 and 31 December 2023 are set out below:

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
Completed investment properties					
Completed investment properties located in Shanghai with an aggregate carrying amount of RMB23,945 million (2023: RMB32,429 million)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Daily market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 4.25% to 7.0% (2023: from 4.25% to 7.75%). Daily market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of a range from RMB3.8 to RMB20.3 (2023: from RMB3.2 to RMB19.7) per square metre ("sqm") per day on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the daily market rent, the higher the fair value.	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. A significant increase in the daily market rent would result in a significant increase in fair value and vice versa.
Completed investment properties located in Wuhan with an aggregate carrying amount of RMB9,052 million (2023: RMB9,180 million)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Daily market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 5.5% to 7.0% (2023: from 5.5% to 7.0%). Daily market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of a range from RMB3.3 to RMB7.3 (2023: from RMB3.5 to RMB7.2) per sqm per day on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the daily market rent, the higher the fair value.	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. A significant increase in the daily market rent would result in a significant increase in fair value and vice versa.
Completed investment properties located in Foshan with an aggregate carrying amount of RMB4,402 million (2023: RMB4,436 million)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Daily market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 5.25% to 5.5% (2023: from 5.25% to 5.5%). Daily market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average ranging from RMB2.0 to RMB6.0 (2023: from RMB2.1 to RMB5.9) per sqm per day on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the daily market rent, the higher the fair value.	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. A significant increase in the daily market rent would result in a significant increase in fair value and vice versa.

13. Investment properties – continued

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
Completed investment properties- continued					
Completed investment properties located in Chongqing with an aggregate carrying amount of RMB1,524 million (2023: RMB1,536 million)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Daily market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 5.25% to 5.5% (2023: 5.25% to 5.5%). Daily market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, at an average of a range from RMB1.2 to RMB2.4 (2023: from RMB1.2 to RMB2.4) per sqm per day on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the daily market rent, the higher the fair value.	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. A significant increase in the daily market rent would result in a significant increase in fair value and vice versa.
Investment properties under construction or development that are measured at fair value					
Investment properties under construction or development located in Foshan with an aggregate carrying amount of RMB1,850 million (2023: RMB1,871 million)	Level 3	Market-based Approach The key input is: (1) Gross development value;	Gross development value on completion basis, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB4,896 million (2023: RMB5,075 million).	The higher the gross development value, the higher the fair value.	A significant increase in gross development value would result in a significant increase in fair value and vice versa.

There were no transfers in or out of Level 3 during both years.

On 31 December 2024, the Group's investment properties with a total carrying amount of RMB34,031 million (2023: RMB33,017 million) were pledged to secure banking facilities granted to the Group (note 37).

14. Property and equipment

	Land and buildings RMB'million	Hotel properties RMB'million	Hotels under development RMB'million	Furniture, fixtures, equipment and motor vehicles RMB'million	Total RMB'million
AT COST					
On 1 January 2023	958	635	51	537	2,181
Additions	–	–	1	84	85
Surplus on revaluation	6	–	–	–	6
Transfer from completed investment properties (note 13)	36	–	–	–	36
Transfer to completed investment properties (note 13)	(257)	–	–	(7)	(264)
Disposals	–	–	–	(71)	(71)
Transfer to assets classified as held for sale	–	–	–	(8)	(8)
On 31 December 2023 and 1 January 2024	743	635	52	535	1,965
Additions	–	–	–	14	14
Surplus on revaluation	4	–	–	–	4
Transfer to completed investment properties (note 13)	(52)	–	–	–	(52)
Disposals	–	–	–	(51)	(51)
Disposal of subsidiaries	(76)	–	–	(126)	(202)
On 31 December 2024	619	635	52	372	1,678
ACCUMULATED DEPRECIATION					
On 1 January 2023	198	334	–	452	984
Charge for the year	26	12	–	78	116
Transfer to completed investment properties (note 13)	(30)	–	–	–	(30)
Disposals	–	–	–	(70)	(70)
Transfer to assets classified as held for sale	–	–	–	(5)	(5)
On 31 December 2023 and 1 January 2024	194	346	–	455	995
Charge for the year	18	13	–	56	87
Transfer to completed investment properties (note 13)	(5)	–	–	–	(5)
Disposals	–	–	–	(50)	(50)
Disposal of subsidiaries	(55)	–	–	(123)	(178)
On 31 December 2024	152	359	–	338	849
CARRYING VALUES					
On 31 December 2024	467	276	52	34	829
On 31 December 2023	549	289	52	80	970

14. Property and equipment – continued

The carrying amounts of owner-occupied leasehold land and buildings of RMB460 million (2023: RMB534 million) and hotel properties of RMB276 million (2023: RMB289 million) at the end of the reporting year included both the leasehold land and building elements in property and equipment, as in the opinion of the directors of the Company, allocations of the carrying amounts between the leasehold land and buildings elements cannot be made reliably. The land portions of the remaining owner-occupied properties were included in right-of-use assets.

During the year ended 31 December 2024, the directors of the Company conducted an impairment review on the property and equipment, and no impairment loss was recognised for the year ended 31 December 2024 (2023: Nil).

15. Leases

The Group as a lessee

RIGHT-OF-USE ASSETS	Leasehold land RMB'million	Leased properties RMB'million	Total RMB'million
On 1 January 2023	40	6	46
Transfer to completed investment properties (note 13)	(26)	–	(26)
Depreciation charge	(1)	(2)	(3)
On 31 December 2023 and 1 January 2024	13	4	17
Depreciation charge	–	(3)	(3)
On 31 December 2024	13	1	14

The Group leases various premises for its operations. Lease contracts are entered into for fixed terms of 3 years. Lease terms are negotiated individually and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the contract definition and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

Lease liabilities of RMB1 million are recognised with related leased properties as of 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets held by the lessor.

Lease committed

As of 31 December 2024, the Group entered into a lease for an office that has not yet commenced, with a non-cancellable period of fifteen years, excluding the period under extension options, the total future undiscounted cash flows over the non-cancellable period amounted to RMB383 million.

15. Leases – continued

The Group as a lessor

Property rental income in respect of the investment properties earned RMB2,167 million (2023: RMB2,136 million) (note 5). The investment properties held have committed tenants for the next one to twelve years at fixed rentals. Included in the property rental income, certain leases contain contingent rental income recognised during the year ended 31 December 2024, amounting to RMB112 million (2023: RMB117 million). These contingent rentals are generally based on specified percentages of revenue of the tenants. The terms of the leases generally require the tenants to pay security deposits.

On 31 December 2024 and 2023, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 RMB'million	2023 RMB'million
Within one year	1,548	2,033
After one year but within two years	1,124	1,462
After two years but within three years	686	957
After three years but within four years	398	535
After four years but within five years	202	317
After five years	145	339
	4,103	5,643

16. Properties under development for sale

	2024 RMB'million	2023 RMB'million
At the beginning of the year	1,957	4,541
Additions	2,157	952
Transfer to properties held for sale	(1,420)	(3,536)
At the end of the year	2,694	1,957

As of 31 December 2024, the carrying value of RMB2,694 million (2023: RMB924 million) of the properties under development for sale was expected to be realised after twelve months from the end of the reporting year.

As of 31 December 2024, none of the Group's properties under development for sale was pledged to secure banking facilities granted to the Group (2023: RMB961 million) (note 37).

17. Interests in associates/amounts due from/loans from/amounts due to associates

	2024 RMB'million	2023 RMB'million
Interests in associates		
– Cost of investments, unlisted	7,232	7,615
– Share of post-acquisition results, net of effect on elimination of unrealised intercompany transactions	1,394	1,331
– Share of other comprehensive income/(expenses) of an associate	15	(14)
	8,641	8,932
Amounts due from associates – current		
– Unsecured, interest-free and repayable on demand	178	207
Amounts due to associates – current		
– Unsecured, interest-free and repayable on demand	216	593
Loans from an associate – non-current		
– Unsecured, fixed-rate at 1.2% to 3.85% and repayable within two years	5,825	5,825

Particulars of the Group's associates as of 31 December 2024 are as follows:

Name of associates	Proportion of voting rights held by the Group		Proportion of nominal value of issued ordinary share capital/ registered capital held by the Group		Place of incorporation/ registration and operations	Principal activities
	2024	2023	2024	2023		
Colour Bridge Development Holdings Limited ("Colour Bridge")	49.5%	49.5%	49.5%	49.5%	BVI	Investment holding
重慶瑞安天地房地產發展有限公司(Chongqing Shui On Tiandi Real Estate Development Company Limited) ("Chongqing Shui On Tiandi")	20%	20%	19.8%	19.8%	PRC	Property development and other activities
Top Fountain Limited ("Top Fountain")	45%	45%	45%	45%	BVI	Investment holding

17. Interests in associates/amounts due from/loans from/amounts due to associates – continued

The summarised consolidated financial information of Colour Bridge for the years ended 31 December 2024 and 31 December 2023 is set out below:

	2024 RMB'million	2023 RMB'million
Current assets	12,548	14,631
Current liabilities	337	2,682
Non-current liabilities	430	367
Net assets	11,781	11,582
Revenue	110	17,281
Profit and total comprehensive income for the year	334	1,606

Reconciliation of the above summarised consolidated financial information to the carrying amount of interest in Colour Bridge recognised in the consolidated financial statements:

	2024 RMB'million	2023 RMB'million
Net assets of Colour Bridge	11,781	11,582
Less: non-controlling interests of Colour Bridge	(96)	(93)
Equity attributable to shareholders of Colour Bridge	11,685	11,489
Proportion of the Group's ownership interest in Colour Bridge	50%	50%
Carrying amount of the Group's interest in Colour Bridge	5,842	5,744

The summarised consolidated financial information of Top Fountain for the years ended 31 December 2024 and 31 December 2023 is set out below:

	2024 RMB'million	2023 RMB'million
Current assets	431	232
Non-current assets	6,670	6,845
Current liabilities	2,784	199
Non-current liabilities	198	2,739
Net assets	4,119	4,139
Revenue	267	269
Loss for the year	(85)	(50)
Total comprehensive expense for the year	(20)	(35)

17. Interests in associates/amounts due from/loans from/amounts due to associates – continued

Reconciliation of the above summarised financial information to the carrying amount of the interest in Top Fountain recognised in the consolidated financial statements:

	2024 RMB'million	2023 RMB'million
Net assets of Top Fountain	4,119	4,139
Less: non-controlling interests of Top Fountain	(41)	(41)
Equity attributable to shareholders of Top Fountain	4,078	4,098
Proportion of the Group's ownership interest in Top Fountain	45%	45%
Group's share of net assets in Top Fountain	1,835	1,844
Other adjustment	45	45
Carrying amount of the Group's interest in Top Fountain	1,880	1,889

Information of associate that is not individually material:

	2024 RMB'million	2023 RMB'million
The Group's share of profit from continuing operations	3	83

Carrying amount of the Group's interest in this individually, not material associate:

	2024 RMB'million	2023 RMB'million
Investment in associate	919	1,229

18. Interests in joint ventures/loans to/amounts due from joint ventures/ loans from/amounts due to joint ventures

	2024 RMB'million	2023 RMB'million
Investment in joint ventures		
– Cost of investment, unlisted	13,704	12,256
– Impairment provision	(376)	(376)
– Share of post-acquisition results, net of effect on elimination of unrealised intercompany transactions	(264)	111
– Share of other comprehensive expenses of a joint venture	(29)	(19)
	13,035	11,972
Amounts due from joint ventures – non-current		
– Unsecured, interest-free (note (a))	1,771	1,724
	14,806	13,696
Loans to joint ventures – current		
– Unsecured, fixed-rate at 3.45% to 7.00% or loan prime rate	5,108	5,865
Amounts due from joint ventures – current		
– Unsecured, interest-free, and repayable on demand	87	102
– Arising from disposal of equity interests in the Group's subsidiaries (note (b))	5,811	–
	11,006	5,967
Loan from a joint venture – non-current		
– Unsecured, fixed-rate at 1%	36	–
Loans from a joint venture – current		
– Unsecured, fixed-rate at 3.45% to 3.65%	30	90
Amounts due to joint ventures – current		
– Unsecured, interest-free and repayable on demand	18	63
	48	153

Notes:

(a) In the directors' opinion, all amounts due from joint ventures are unlikely to be repaid in the foreseeable future.

(b) The amount represented the remaining consideration for the disposal of the equity interests in Shanghai Yangpu Centre Development Co., Ltd. ("YPU") and Shanghai Knowledge and Innovation Community Development Co., Ltd. ("KIC"), and has been received in February 2025 (note 36).

18. Interests in joint ventures/loans to/amounts due from joint ventures/ loans from/amounts due to joint ventures – continued

Particulars of the Group's major joint ventures as of 31 December 2024 and 31 December 2023 are as follows:

Name of joint ventures	Proportion of voting rights held by the Group		Proportion of nominal value of issued ordinary share capital/ registered capital held by the Group		Place of incorporation/ registration and operations	Principal activities
	2024	2023	2024	2023		
上海瑞永景房地產開發有限公司 ("Shanghai Rui Yong Jing") [#] (Note (a))	29%	29%	25%	25%	PRC	Property development and other activities
Hua Xia Rising (Hong Kong) Limited	50%	50%	50%	50%	Hong Kong	Investment holding
上海復基房地產有限公司 ("Shanghai Fuji") [#] (Note(b))	50%	50%	50%	50%	PRC	Property development and other activities
武漢城建瑞臻房地產開發有限公司 ("Wuhan Ruizhen") [#] (Note (c))	50%	50%	50%	50%	PRC	Property development and other activities
上海濱昌置業有限公司 ("Shanghai Binchang") [#] (Note(d))	60%	60%	60%	60%	PRC	Property development and other activities
上海九澤置業有限公司 ("Hong Shou Fang") [#] (Note (e))	35%	N/A	35%	N/A	PRC	Property development and property investment
上海瑞科壽長企業管理合夥企業 (有限合夥)("Shanghai Ruike Shouchang") [#] (Note (f))	46.8%	N/A	46.8%	N/A	PRC	Investment holding
Commercial properties business (Note (g))	50%	50%	49.5%	49.5%	PRC	Property development and other activities

(a) In 2018, under a joint venture agreement, the Group through a wholly owned subsidiary established Shanghai Rui Yong Jing with strategic partners for a property development project in Shanghai, the PRC.

Under a joint venture agreement, the Group and the other equity owners (the "JV Partners 2" who are two independent third parties and own 70% and 5% equity interest in Shanghai Rui Yong Jing, respectively) are considered to have joint control over Shanghai Rui Yong Jing as all major decisions require unanimous approval of all directors of Shanghai Rui Yong Jing.

(b) In June 2021, the Group, through an indirect wholly-owned subsidiary, established Shanghai Fuji with Shanghai Yongye Enterprise (Group) Co., Ltd to carry out the property development project on the lands in Huangpu District, Shanghai. All major decisions of this joint venture require unanimous approval of all directors of this joint venture company.

(c) In December 2021, the Group, through an indirect wholly-owned subsidiary, established Wuhan Ruizhen with Wuhan Real Estate Group Co. Ltd. #for the acquisition and development of certain lands in Wuchang District, Wuhan City. All major decisions of this joint venture company require unanimous approval of all directors of this joint venture company.

(d) In November 2022, the Group, through an indirect wholly-owned subsidiary, established Shanghai Binchang with Shanghai Yangshupu Real Estate Co., Ltd. #for the acquisition and development of a parcel of land in Yangpu District, Shanghai City. All major decisions of this joint venture company require unanimous approval of all directors of this joint venture company.

(e) In December 2023, the Group, through an indirect wholly-owned subsidiary, entered into an agreement with an independent third party pursuant to which the Group disposed of its 65% equity interest in Shanghai Jiu Ze Property Co., Ltd. The disposal was completed in January 2024, and the Group accounted for the remaining 35% equity interest as a joint venture upon completion as all major decisions of this joint venture company require unanimous approval of all directors of this joint venture company.

(f) In November 2024, the Group, through an indirect wholly-owned subsidiary, established Shanghai Ruike Shouchang Enterprise Management Partnership (Limited Partnership) to acquire 86.8% equity interest in YPU and 99% equity interest in KIC, which is accounted for as a joint venture as all major decisions of this joint venture require unanimous approval of all partners of this joint venture.

(g) The Group has an interest in certain commercial properties business which is principally engaged in property development and the management of commercial units in Shanghai.

English name is for identification only

18. Interests in joint ventures/loans to/amounts due from joint ventures/loans from/amounts due to joint ventures – continued

Summarised financial information regarding the Group's material joint ventures, Commercial properties business and Shanghai Rui Yong Jing, is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Interests in commercial properties business:

	2024 RMB'million	2023 RMB'million
Current assets	411	604
Non-current assets	15,446	15,643
Current liabilities	416	5,628
Non-current liabilities	6,742	1,751

The above amounts of assets and liabilities include the following:

	2024 RMB'million	2023 RMB'million
Cash and cash equivalents	355	476
Current financial liabilities (excluding trade and other payables and provisions)	103	5,256
Non-current financial liabilities (excluding trade and other payables and provisions)	6,027	1,036

	2024 RMB'million	2023 RMB'million
Revenue	570	539
(Loss)/profit and total comprehensive (expense)/income for the year	(169)	11

The above profit for the year includes the following:

	2024 RMB'million	2023 RMB'million
Depreciation and amortisation	3	5
Interest income	6	8
Interest expense	267	316

Reconciliation of the above summarised financial information to the carrying amount of the interest in Commercial properties business recognised in the consolidated financial statements:

	2024 RMB'million	2023 RMB'million
Net assets of Commercial properties business	8,699	8,868
Proportion of the Group's ownership interest in Commercial properties business	49.5%	49.5%
Carrying amount of the Group's interest in Commercial properties business	4,306	4,388

18. Interests in joint ventures/loans to/amounts due from joint ventures/ loans from/amounts due to joint ventures – continued

Shanghai Rui Yong Jing

	2024 RMB'million	2023 RMB'million
Current assets	348	876
Non-current assets	21,497	20,359
Current liabilities	1,030	724
Non-current liabilities	5,433	5,096

The above amounts of assets and liabilities include the following:

	2024 RMB'million	2023 RMB'million
Cash and cash equivalents	220	70
Non-current financial liabilities (excluding trade and other payables and provisions)	5,272	4,940
Loss and total comprehensive expense for the year	(33)	(338)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shanghai Rui Yong Jing recognised in the consolidated financial statements:

	2024 RMB'million	2023 RMB'million
Net assets of Shanghai Rui Yong Jing	15,382	15,415
Proportion of the Group's ownership interest in Shanghai Rui Yong Jing	25%	25%
Group's share of net assets in Shanghai Rui Yong Jing	3,845	3,853
Transaction costs capitalised	3	3
Carrying amount of the Group's interest in Shanghai Rui Yong Jing (note)	3,848	3,856

Note:

The Group's original investment costs in Shanghai Rui Yong Jing comprise the historical costs invested into the land by the Group before the establishment of a joint venture with strategic partners in July 2018 and the proportion payment for bidding on the land. The difference between the share of the fair value of the net assets value of Shanghai Rui Yong Jing and the investment costs of RMB376 million was recognised as an impairment provision of investment in a joint venture as of 31 December 2024 and 31 December 2023.

Aggregate information of joint ventures that are not individually material:

	2024 RMB'million	2023 RMB'million
The Group's share of profit from continuing operations	178	91
The Group's share of other comprehensive expense	(11)	(13)
The Group's share of total comprehensive income	167	78

Aggregate carrying amount of the Group's interests in these individually, not material joint ventures:

	2024 RMB'million	2023 RMB'million
Investments in joint ventures	4,881	3,728

19. Receivables, deposits, and prepayments

	2024 RMB'million	2023 RMB'million
Non-current portion comprises:		
Trade receivables (note (b))		
– rental receivables	262	317
Current portion comprises:		
Trade receivables (note (b))		
– rental receivables	89	112
– goods and services	200	250
– operating lease receivables	62	65
Prepayments of relocation costs (note (a))	6	2,119
Receivables from the disposal of an associate	–	19
Other deposits, prepayments, and other current assets (note (c)) (note 41 (c))	340	578
Value-added tax recoverable	17	21
	714	3,164

Notes:

(a) The balances represent the amounts that will be compensated by the government upon the completion of the relocation. In 2024, the relocation costs of RMB1,702 million were transferred to properties under development for sale.

(b) Trade receivables comprise:

- (i) receivables arising from sales of properties which are due for settlement per the terms of the relevant sale and purchase agreements;
- (ii) operating lease receivables which are due for settlement upon issuance of monthly debit notes to the tenants;
- (iii) receivables arising from construction revenue of which a credit term of 40 days is granted to the customers; and
- (iv) rental receivables attributable to the rent-free period have been calculated and amortised on a straight-line basis over the lease terms.

(c) As of 31 December 2024 and 31 December 2023, other deposits and prepayments amounted to RMB130 million and RMB390 million, respectively.

As of 31 December 2024 and 31 December 2023, trade receivables from customers contracts amounted to RMB200 million and RMB250 million, respectively.

Included in the Group's receivables, deposits, and prepayments are trade receivable balances of RMB613 million (2023: RMB744 million), of which 62% (2023: 66%) are not yet past due, 11% (2023: 25%) are past due less than 90 days, and 27% (2023: 9%) are past due over 90 days, as compared to when revenue was recognised.

Out of the past due balances, RMB163 million (2023: RMB68 million) has been past due 90 days or more and is not considered as in default since the directors of the Company consider that such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

Details of ECL allowance for the year ended 31 December 2024 are set out in Note 41 (b).

On 31 December 2024, the Group's receivables, deposits, and prepayments with a total carrying amount of RMB185 million (2023: RMB192 million) were pledged to secure banking facilities granted to the Group (note 37).

20. Contract assets

	2024 RMB'million	2023 RMB'million
Construction	93	219

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date on construction. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain milestones are reached. The Group typically achieves specified milestones and thus has the right to bill the customers when the progress certificate, settlement letter or payment notice is obtained.

Details of ECL allowance for the year ended 31 December 2024 are set out in Note 41 (b).

21. Bank balances and cash and pledged bank deposits

	2024 RMB'million	2023 RMB'million
Bank and cash – unrestricted	2,871	3,712
Bank balances – restricted	2,083	2,033
Pledged bank deposits	2,780	3,172
	7,734	8,917
Less: pledged bank deposits	(2,780)	(3,172)
Bank balances and cash	4,954	5,745
Pledged bank deposits – non current	416	–
Pledged bank deposits – current	2,364	3,172
Pledged bank deposits	2,780	3,172

Restricted bank balances as of 31 December 2024 include monies placed by the Group with banks amounting to RMB2,083 million (31 December 2023: RMB2,033 million), which can only be applied to designated projects of the Group.

Bank balances carry interest at market rates, which range from 0.00% to 3.55% (2023: 0.00% to 2.05%) per annum.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB7,245 million (31 December 2023: RMB8,562 million). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale, and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

22. Properties held for sale

The Group's properties held for sale are situated in the PRC. All the properties held for sale are stated at the lower of cost or net realisable value.

23. Amounts due from/to related companies

	2024 RMB'million	2023 RMB'million
Amounts due from related companies comprise:		
Fellow subsidiaries	407	406
Amounts due to related companies comprise:		
Fellow subsidiaries	339	346

All of the amounts due from related companies are non-trade in nature, unsecured and interest-free. In the opinion of the directors of the Company, the amounts due from related companies are expected to be repaid within twelve months after the end of the reporting period. Accordingly, the amounts are classified as current assets.

Amounts due to related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

Details of ECL allowance for the year ended 31 December 2024 are set out in Note 41 (b).

24. Amounts due to non-controlling shareholders/loans to a non-controlling shareholder

	2024 RMB'million	2023 RMB'million
Loans from a non-controlling shareholder of subsidiaries-current (note (a))	932	–
Amounts due to non-controlling shareholders of subsidiaries (note (b))	11	58
	943	58
Loans to a non-controlling shareholder of a subsidiary-non-current (note (c))	–	8
Loan to a non-controlling shareholder of a subsidiary-current (note (c))	4	8

Notes:

(a) The amounts were reclassified from equity loans from a non-controlling shareholder upon completion of Shanghai KIC project restructuring. It has been repaid in February 2025.

(b) The amounts due to non-controlling shareholders of subsidiaries are unsecured, interest-free, and repayable on demand.

(c) The loan to a non-controlling shareholder of a subsidiary totalled RMB4 million as of 31 December 2024 (2023: RMB16 million) is unsecured and repayable within one year, which carries interest at a rate of 1% (2023: 3.45% to 3.7%).

25. Accounts payable, deposits received, and accrued charges

	2024 RMB'million	2023 RMB'million
Current portion comprises:		
Trade payables	1,401	1,817
Land and relocation cost payables	2	742
Deed tax and other tax payables	91	93
Deposits received in advance for the rental of investment properties	342	443
Value-added tax payables	270	50
Value-added tax arising from contract liabilities	–	240
Cash received in respect of land resumption (note 35)	828	–
Other payables and accrued charges	789	798
	3,723	4,183
Non-current portion comprises:		
Deposits received in advance for the rental of investment properties	437	551
Other payables	100	145
	537	696

Included in the Group's accounts payable, deposits received, and accrued charges are trade payable balances of RMB1,401 million (2023: RMB1,817 million), of which 92% (2023: 83%) are aged less than 30 days, 2% (2023: 14%) are aged between 31 and 90 days, and 6% (2023: 3%) are aged more than 90 days, based on invoice date.

26. Contract liabilities

	2024 RMB'million	2023 RMB'million
Sales of properties	1	4,005

Revenue of RMB4,005 million and RMB5,409 million was recognised during the years ended 31 December 2024 and 2023, respectively that was included in the contract liabilities at the beginning balance of the reporting year.

The Group receives payments from customers based on billing schedules as established in the property sales contracts. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period. All contract liabilities as of 31 December 2024 are expected to be realised within twelve months from the end of the reporting year.

27. Bank and other borrowings

	2024 RMB'million	2023 RMB'million
Bank and other borrowings repayable within a period of *:		
– Not more than 1 year or on-demand	4,655	8,410
– More than 1 year, but not exceeding 2 years	2,663	1,456
– More than 2 years, but not exceeding 5 years	5,225	5,095
– More than 5 years	6,734	2,715
	19,277	17,676
Less: amount due within one year shown under current liabilities	(4,655)	(8,410)
Amount due after one year	14,622	9,266

* The amounts due are based on scheduled repayment dates in the loan agreements.

On 31 December 2024, the Group's bank and other borrowings amounting to RMB15,124 million (2023: RMB11,256 million) were secured by the pledge of assets as set out in note 37.

The carrying amounts of the Group's bank and other borrowings are analysed as follows:

Denominated in	Interest rate	2024 RMB'million	2023 RMB'million
RMB	Loan prime rate ("LPR") minus 1.3% or plus 0% to 1.475%/105% to 125% of LPR (2023: LPR minus 0.6% to 1.3% or plus 0% to 1.565%/90% to 125% of LPR)	10,769	6,767
RMB	Offshore RMB Hong Kong interbank offered rate ("CNH HIBOR") plus 1.0% to 2.5% (2023: CNH HIBOR plus 1.0% to 1.2%)	2,866	1,607
RMB	Fixed rates, at 6.8% and 7.8968%	800	800
HKD	Hong Kong interbank offered rate ("HIBOR") plus 3.3% (2023: HIBOR plus 3.2% to 3.7%)	380	1,103
USD	Secured overnight financing rate ("SOFR") plus 1.0% to 3.8% (2023: SOFR plus 1.3% to 4.0%)	4,462	7,399
		19,277	17,676

As of 31 December 2024, the weighted average effective interest rate on the bank and other borrowings was 4.92% (2023: 6.15%), and are further analysed as follows:

	2024	2023
Denominated in RMB	4.3%	4.4%
Denominated in HKD	7.9%	8.9%
Denominated in USD	6.7%	7.9%

28. Share capital

	Authorised		Issued and fully paid	
	Number of shares	USD'000	Number of shares	USD'000
Ordinary shares of USD0.0025 each				
On 1 January 2023, 31 December 2023 and 31 December 2024	12,000,000,000	30,000	8,027,265,324	20,068

	2024 RMB'million	2023 RMB'million
Shown in the consolidated statement of financial position as	146	146

29. Reserves

	Share premium	Merger reserve	Special reserve	Share option reserve	Share award reserve	Exchange reserve	Hedge reserve	Other reserves	Property revaluation reserve*	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
On 1 January 2024	18,052	122	(135)	-	10	(1,399)	(20)	(230)	113	16,513
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(178)	-	-	-	(178)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	-	-	-	-	-	-	28	-	-	28
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	-	-	-	-	-	-	(11)	-	-	(11)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	-	-	-	-	-	-	-	-	3	3
Share of other comprehensive income of a joint venture and an associate	-	-	-	-	-	-	-	19	-	19
Total other comprehensive expenses for the year	-	-	-	-	-	(178)	17	19	3	(139)
On 31 December 2024	18,052	122	(135)	-	10	(1,577)	(3)	(211)	116	16,374

29. Reserves – continued

	Share premium	Merger reserve	Special reserve	Share option reserve	Share award reserve	Exchange reserve	Hedge reserve	Other reserves	Property revaluation reserve*	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
On 1 January 2023	18,052	122	(135)	–	10	(1,015)	(11)	(225)	110	16,908
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(384)	–	–	–	(384)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	–	–	–	–	–	–	25	–	–	25
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	–	–	–	–	–	–	(34)	–	–	(34)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	–	–	–	–	–	–	–	–	3	3
Share of other comprehensive expense of a joint venture and an associate	–	–	–	–	–	–	–	(5)	–	(5)
Total other comprehensive expenses for the year	–	–	–	–	–	(384)	(9)	(5)	3	(395)
On 31 December 2023	18,052	122	(135)	–	10	(1,399)	(20)	(230)	113	16,513

* The property revaluation reserve arose from a change in use from owner-occupied properties to investment properties carried at fair value.

29. Reserves – continued

- (a) Merger reserve represents the aggregate of:
- (i) the difference between the nominal value of the share capital and share premium on the shares issued by the Company and the aggregate of the share capital and share premium of the holding companies of the subsidiaries acquired;
 - (ii) the share of profit attributable to the deemed non-controlling shareholders exchanged upon the Group's reorganisation in 2004; and
 - (iii) the difference between the fair value and the carrying amount of the net assets attributable to the additional interest in the subsidiaries being acquired from a non-controlling shareholder upon the group reorganisation in 2004.
- (b) Special reserve comprises:
- The difference between the fair value and the carrying amount of the net assets attributable to the additional interest in the subsidiaries being acquired from non-controlling shareholders, which will be recognised in equity upon the earlier disposal of the assets, disposal of the subsidiary of the assets which the assets relate, or when the related assets affect profit or loss.
- (c) Other reserves mainly comprise:
- (i) waiver of debts by a then-shareholder of the Company;
 - (ii) the difference between the fair value of the consideration paid and the carrying amount of the net assets attributable to the additional interest in subsidiaries as acquired from the then non-controlling shareholders;
 - (iii) the difference between the fair value of the consideration received and the carrying amount of the net assets attributable to the partial disposal of equity interests in certain subsidiaries; and
 - (iv) the exchange gain or loss on redemption of convertible perpetual capital securities and perpetual capital securities.

30. Senior notes

	2024 RMB'million	2023 RMB'million
On 1 January	9,898	13,255
Interest charged during the year	503	764
Gain on redemption of senior notes	–	(25)
Less: interest paid	(565)	(755)
Less: redemption of senior notes	(3,520)	(3,611)
Exchange realignment	121	270
On 31 December	6,437	9,898
Less: amount due within one year shown under current liabilities	(3,569)	(3,563)
Amount due after one year	2,868	6,335

On 31 December 2024, the effective interest rates on the senior notes ranged from 5.50% to 5.59% (2023: 5.50% to 6.25%) per annum. The senior notes are unsecured and guaranteed by the Company.

31. Receipts under securitisation arrangements

On 27 April 2023, Shanghai Rui Qiao Property Development Co., Ltd., a wholly-owned subsidiary of the Company, obtained financing under securitisation arrangements (the “Receipts Under Securitisation Arrangements”) with an aggregate principal amount of RMB4,401 million at 100% of face value, comprising (i) RMB4,400 million with a term of fixed annual coupon rate of 3.9% and quarter distribution, and (ii) RMB1 million with a term of no annual coupon rate. The Receipts Under Securitisation Arrangements are listed on the Shanghai Stock Exchange and will be repaid in instalments till 26 March 2041. The Receipts Under Securitisation Arrangements are assets backed securitisation collateralised by certain commercial assets held by Shanghai Rui Qiao Property Development Co., Ltd. and its certain future rental income.

32. Deferred tax assets/liabilities

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Temporary differences resulting from investment properties	Tax losses	Recognition of sales and related cost of sales	Withholding tax on income derived in the PRC	Others	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
1 January 2023	4,452	(62)	165	197	(235)	4,517
Charge/(credit) to profit or loss	(16)	(28)	(98)	(68)	134	(76)
Transfer to liabilities associated with assets classified as held for sale	(6)	14	(2)	–	–	6
On 31 December 2023 and 1 January 2024	4,430	(76)	65	129	(101)	4,447
Charge/(credit) to profit or loss	(80)	(30)	134	(5)	(241)	(222)
Disposal of subsidiaries (note 36)	(1,075)	–	(16)	–	5	(1,086)
On 31 December 2024	3,275	(106)	183	124	(337)	3,139

For presentation of the consolidated statement of financial position, certain deferred tax (assets) liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 RMB'million	2023 RMB'million
Deferred tax assets	(259)	(230)
Deferred tax liabilities	3,398	4,677
	3,139	4,447

32. Deferred tax assets/liabilities – continued

At the end of the reporting year, the Group has unused tax losses of RMB2,121 million (2023: RMB1,490 million) available to offset against future profits. A deferred tax asset has been recognised for such tax losses amounting to RMB424 million (2023: RMB303 million). No deferred tax asset has been recognised for the remaining tax losses of RMB1,697 million (2023: RMB1,187 million) as it is not considered probable that taxable profits will be available to utilise those tax losses. The unrecognised tax losses will expire in the following years ending 31 December:

	2024 RMB'million	2023 RMB'million
2024	–	120
2025	45	47
2026	134	138
2027	254	259
2028	605	623
2029	659	–
	1,697	1,187

33. Provident and retirement fund schemes

Hong Kong

The Group participates in both a defined benefit plan (the “Plan”) which is registered under the Occupational Retirement Schemes Ordinance and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The Plan was effective in 2004. The assets of the Plan are held separately from those of the Group and are invested in securities and funds under the control of trustees. Employees who were members of the Plan prior to the establishment of MPF Scheme were offered a choice of staying within the Plan or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The MPF Scheme

For members of the MPF Scheme, contributions are made by the employees at 5% of relevant income and by the Group at rates ranging from 5% to 10% of the employees’ salaries, depending on the employees’ length of services with the Group.

The Plan

Contributions to the Plan are made by the members at 5% of their salaries and by the Group which are based on recommendations made by the actuary of the Plan. Under the Plan, a member is entitled to retirement benefits which comprise the sum of any benefits transferred from another scheme and the greater of the sum of employer’s basic contribution plus the member’s basic contribution accumulated with interest at a rate of no less than 6% per annum before 1 September 2003 and 1% per annum in respect of contributions made on or after 1 September 2003 or 1.8 times the final salary times the length of employment with the Group on the attainment of the retirement age of 60. For members who joined the Plan before 1997, the retirement age is 60 for male members and 55 for female members. No other post-retirement benefits are provided.

The actuarial valuations of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2024 and 31 December 2023 by Ms. Elaine Hwang of Towers Watson Hong Kong Limited, respectively, who are Fellows of the Society of Actuaries. The present value of the defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method.

33. Provident and retirement fund schemes – continued

Hong Kong – continued

The Plan – continued

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	2024 RMB'million	2023 RMB'million
Discount rate per annum	3.4%	3.4%
Expected rate of salary increase	0.3%	2.2%

The actuarial valuation showed that the market value of plan assets was RMB16 million (2023: RMB26 million) and that the actuarial value of these assets represented 89% (2023: 76%) of the benefits that had accrued to members.

The Group's contributions to the Plan and the MPF Scheme charged to the consolidated statement of profit or loss as staff costs during the year ended 31 December 2024 totalled RMB5 million (2023: RMB7 million).

PRC

According to the relevant laws and regulations in the PRC, certain subsidiaries established in the PRC are required to contribute a specific percentage of the payroll of their employees to retirement benefit schemes to fund the retirement benefits of their employees. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the respective schemes.

The Group's contributions to the state-managed retirement benefit schemes charged to the consolidated statement of profit or loss as staff costs during the year ended 31 December 2024 amounted to RMB53 million (2023: RMB52 million).

34. Share-based payment transactions

Share award scheme

On 1 April 2015, (1) a connected employee share award scheme and (2) an employee share award scheme were adopted by the Company. The share award scheme is effective for 16 years commencing from 1 April 2015. Under these two schemes, the Group has set up a trust for the purpose of administering the share award scheme and holding the awarded shares before they vest. The Company shall pay to the trustee monies and give directions or recommendation to the trustee to apply such monies and/or such other net amount of cash derived from shares held as part of the fund of the trusts to acquire shares from the market and/or to allot and issue shares to the trustee, to satisfy any award made to selected participants. The remuneration committee of the Company shall select eligible persons and determine the number of shares to be awarded. Upon termination of the schemes, the trustee shall sell all unvested shares remaining in the trusts within a reasonable time as agreed between the trustee and the Company and remit all cash and net proceeds of such sale and such other funds remaining in the trust to the Company.

During the year ended 31 December 2015, a total of 17,149,000 award shares (which, depending on the performance of the Group, may be adjusted to a maximum of 42,872,500 award shares, i.e. 250% of the award shares granted during the year) and 7,705,000 award shares (which, depending on the performance of the Group, may be adjusted to a maximum of 19,262,500 award shares, i.e. 250% of the award shares granted during the year) of the Company have been awarded to certain connected employees (including directors of the Company and certain subsidiaries) and employees of the Group respectively at no consideration.

The awarded shares shall vest upon condition relating to the Group's performance and the individual performance being met during the 3-year performance period. The key measures of the performance were taken regarding the key performance indicators such as the Group's financial performance and the strategic growth.

As of 31 December 2024 and 2023, 17,710,250 shares were allocated at par and held by the trust for the share award schemes.

35. Assets classified as held for sale

On 9 July 2021, Fo Shan Rui Fang Property Development Co., Ltd., a wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement No.7 with Foshan Chancheng District Land Reserve Center and Foshan Chancheng District Zumiao Sub-district Office, under which Fo Shan Rui Fang Property Development Co., Ltd. has agreed to surrender Land No.7 to Foshan Chancheng District Land Reserve Center, at a consideration by way of cash compensation of RMB1,111 million and Fo Shan Rui Kang Tian Di Property Development Co., Ltd., a wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement No.8 with Foshan Chancheng District Land Reserve Center and Foshan Chancheng District Zumiao Sub-district Office, under which Fo Shan Rui Kang Tian Di Property Development Co., Ltd. has agreed to surrender Land No.8 to Foshan Chancheng District Land Reserve Center, at consideration by way of cash compensation of RMB1,542 million. In the second half of 2024, Fo Shan Rui Fang Property Development Co., Ltd. received RMB828 million as part of consideration for the land resumption of Land No.7.

In the opinion of the directors of the Company, the delay in the land resumption is caused by circumstances beyond the Company's control. The Company remains committed to its plan to sell and surrender the assets. Therefore, the related assets have been classified as "assets classified as held for sale" as of 31 December 2024 in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinue Operations*.

36. Disposal

(a) Disposal of equity interest in Shanghai Jiu Ze Property Co., Ltd.

In December 2023, the Group agreed with Shanghai Hongrui Shouyuan Consulting Management Partnership (Limited Partnership) to dispose of its 65% equity interest in Shanghai Jiu Ze Property Co., Ltd. ("Hong Shou Fang") at a consideration of RMB1,209 million and the transaction was completed in January 2024 and Hong Shou Fang is accounted for as a joint venture. The related assets and liabilities of Hong Shou Fang were classified as held-for-sale as of 31 December 2023 in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The net assets of Hong Shou Fang at the date of completion were as follows:

	RMB'million
Assets classified as held for sale	2,707
Liabilities associated with assets classified as held for sale	(850)
Net assets disposed of	1,857
Gain on disposal of a subsidiary:	
Cash consideration	1,209
Equity interest in a joint venture	651
Less: transaction costs	(3)
Less: net assets disposed of	(1,857)
Gain on disposal	–

An analysis of the net inflow of bank balances and cash in respect of the disposal of Hong Shou Fang is as follows:

	RMB'million
Cash consideration received, net of transaction costs paid	1,206
Less: bank balances and cash disposed of	(65)
	1,141

36. Disposal – continued

(b) Disposal of equity interests in YPU and KIC

In November 2024, the Group entered into an agreement with the existing shareholders of YPU and KIC to transfer 86.8% equity interest in YPU and 99% equity interest in KIC to Shanghai Ruike Shouchang, at the consideration of RMB4,706 million and RMB2,668 million, respectively. The transaction was completed in December 2024.

The net assets of YPU and KIC at the date of completion were as follows:

	RMB'million
Net assets disposed of:	
Investment properties	8,557
Bank balances and cash	187
Receivables, deposits, and prepayments	163
Other assets	76
Accounts payable, deposits received, and accrued charges	(348)
Deferred tax liabilities	(1,086)
Bank borrowings	(499)
Other liabilities	(50)
	7,000
Less: non-controlling interests	(590)
Net assets attributable to shareholders of YPU and KIC	6,410
Gain on disposal of subsidiaries:	
Cash consideration	7,374
Less: transaction costs	(10)
Less: net assets attributable to shareholders of YPU and KIC	(6,410)
Gain on disposal	954
Less: tax related to the disposal	(343)
Gain on disposal after taxation	611
Attributable to:	
Shareholders of the Company	176
Non-controlling shareholders of subsidiaries	435
	611

An analysis of the net inflow of bank balances and cash in respect of the disposal of YPU and KIC is as follows:

	RMB'million
Cash consideration, net of transaction costs and tax paid	7,026
Less: amount due from a joint venture (note 18)	(5,811)
Less: bank balances and cash disposed of	(187)
	1,028

37. Pledge of assets

The following assets are pledged to banks as securities to obtain certain banking facilities at the end of the reporting year:

	2024 RMB'million	2023 RMB'million
Investment properties	34,031	33,017
Property and equipment	59	83
Right-of-use assets	5	5
Properties under development for sale	–	961
Receivables	185	192
Bank deposits	2,780	3,172
Assets classified as held for sale	–	1,867
	37,060	39,297

In addition, the equity interest in a certain subsidiary with a carrying amount of net assets of RMB2,924 million (2023: RMB3,007 million) are pledged to banks as securities to obtain banking facilities granted to the Group at the end of the reporting period.

38. Commitments and contingencies

(a) Capital and other commitments

At the end of the reporting year, the Group has the following commitments:

	2024 RMB'million	2023 RMB'million
<i>Contracted but not provided for:</i>		
Development costs for investment properties under construction or development	–	12
Development costs for properties under development held for sale	21	348
Investments in joint ventures (notes)	5,078	4,029
	5,099	4,389

Notes:

- (i) In December 2021, the Group was required to contribute capital to form a joint venture company to acquire the land use rights of certain lands located in Wuchang District, Wuhan City.
- (ii) In November 2024, the Group was required to contribute capital to form a joint venture company to acquire 86.8% equity interest in YPU and 99% equity interest in KIC. The capital contribution has been made subsequent to 31 December 2024.

(b) Contingent liabilities

The Group provided guarantees of RMB102 million as of 31 December 2024 (31 December 2023: RMB145 million) to banks in favour of its customers in respect of the mortgage loans provided by the banks to those home-buyers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the home-buyers as a pledge for security to the mortgage loans granted.

In determining whether financial liabilities should be recognised in respect of the Group's financial guarantee contracts, the directors of the Company exercise judgment in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation.

In the opinion of the directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition, and the directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value has been recognised in the consolidated statement of financial position as at 31 December 2024 and 31 December 2023. Should the actual outcome differ from the expected, provision for losses would be recognised in the consolidated financial statements.

39. Related party transactions

- (a) Apart from the related party transactions and balances, as stated in notes 10, 17, 18, 23, and 24, the Group has the following transactions with related companies during the year:

	2024 RMB'million	2023 RMB'million
<i>Shui On Company Limited ("SOCL")(note (i)) and its subsidiaries other than those of the Group</i>		
Rental expense	4	4
Renovation expense	2	2
Service cost reimbursement	3	3
<i>SOCAM Development Limited ("SOCAM")(note (ii)) and its subsidiaries, being subsidiaries of SOCL</i>		
Rental and buildings management fee income	1	1
Smart facility enhancement work expenditure	1	2
<i>Great Eagle Holdings Limited (note (iii)) and its subsidiaries</i>		
Rental and building management fee income	3	3
Hotel management fee expense	3	–
<i>Associates</i>		
Revenue from construction services	4	4
Revenue from real estate asset management service	32	33
Interest expense	145	220
Rental and building management fee expenses	–	2
Service cost reimbursement	7	6
<i>Joint ventures</i>		
Revenue from project management service	103	96
Interest income	157	170
Interest expense	6	3
Revenue from real estate asset management service	58	50
Revenue from construction services	231	192
Rental and building management fee income	2	2
Revenue from consulting service	8	32
Rental and building management fee expenses	5	–
Service cost reimbursement	41	19
<i>Non-controlling shareholders of subsidiaries</i>		
Management service fee expense	13	13
<i>Key management personnel</i>		
Short-term benefits	81	82
Post-employment benefits	2	3
	83	85

39. Related party transactions – continued

- (a) Apart from the related party transactions and balances, as stated in notes 10, 17, 18, 23, and 24, the Group has the following transactions with related companies during the year: – continued

Notes: These transactions were carried out per the terms and conditions mutually agreed by the parties involved.

- (i) Shui On Company Limited is a private limited liability company incorporated in the British Virgin Islands, and its ultimate controlling party is Mr. Vincent H.S. LO, who is also the Chairman and Executive Director of the Company.
(ii) SOCAM Development Limited, a subsidiary of SOCL, is listed on the Hong Kong Stock Exchange.
(iii) Great Eagle Holdings Limited is listed on the Hong Kong Stock Exchange. Dr. Lo Ka Shui is a substantial shareholder of Great Eagle Holdings Limited, and he is an associate of Mr. Vincent H.S. LO, who is the Chairman and Executive Director of the Company.

- (b) Other transactions with related parties:

- (i) On 25 March 2024, Shanghai Panlong Tiandi Co., Ltd. (“Panlong Tiandi”, a non-wholly owned subsidiary of the Company) disposed of a hotel to Shanghai Qingpu Xujing Asset Management Co., Ltd. (“Shanghai Qingpu Xujing”, the non-controlling shareholder of Panlong Tiandi) at a consideration of RMB101 million.

Panlong Tiandi entered into a tenancy agreement with Shanghai Qingpu Xujing to lease back the hotel with a lease term of 14 years and accordingly, the Group recognised a right-of-use asset and a lease liability of RMB52 million.

- (ii) In November 2024, the Group entered into an agreement with existing shareholders of YPU and KIC to transfer 86.8% equity interest in YPU and 99% equity interest in KIC to Shanghai Ruike Shouchang (a joint venture of the Group), at the consideration of RMB4,706 million and RMB2,668 million respectively (note 36).

40. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, senior notes, and receipts under securitisation arrangements disclosed in notes 27, 30, and 31, respectively, net of bank balances and cash and pledged bank deposits and equity comprising issued share capital and reserves and non-controlling shareholders of subsidiaries.

The directors of the Company review the capital structure of the Group by using a net gearing ratio, which is calculated based on dividing the net debt by total equity. The review is conducted at least quarterly and before each major financing or investment decision is made.

The net gearing ratios at the end of reporting periods are as follows:

	2024 RMB’million	2023 RMB’million
Bank and other borrowings	19,277	17,676
Senior notes	6,437	9,898
Receipts under securitisation arrangements	4,213	4,359
Pledged bank deposits	(2,780)	(3,172)
Bank balances and cash	(4,954)	(5,745)
Net debt	22,193	23,016
Total equity	42,669	44,149
Net gearing ratio	52%	52%

41. Financial instruments

a. Categories of financial instruments

	2024 RMB'million	2023 RMB'million
Financial assets		
Financial assets at amortised cost	21,368	19,690
Financial liabilities		
Derivative financial liabilities	3	31
Financial liabilities at amortised cost	41,333	43,462
Financial liabilities at fair value through profit or loss	–	28

b. Financial risk management objectives and policies

The Group's major financial instruments include derivative financial instruments, loans to joint ventures, receivables and prepayments of relocation costs, amounts due from associates, amounts due from related companies, amounts due from joint ventures, loans to a non-controlling shareholder of a subsidiary, bank balances and cash, pledged bank deposits, accounts and other payable, loans from/amounts due to joint ventures, loans from/amounts due to associates, amounts due to related companies, amounts due to non-controlling shareholders of subsidiaries, bank and other borrowings, senior notes, receipts under securitisation arrangements, lease liabilities and liability arising from a rental guarantee arrangement.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree on policies for managing each of these risks and they are summarised below.

Currency risk

All of the Group's revenues are denominated in RMB. However, the Group has certain bank balances and debt obligations denominated in foreign currency. As a result, the Group is exposed to fluctuations in foreign exchange rates. The foreign currency exposure is managed within approved policy parameters utilising currency forward contracts.

The Group determines the economic relationship between the hedged items and the hedging instruments by reviewing their critical terms and performing a quantitative assessment. The Group applies hedge accounting for those currency forward contracts that the risk being hedged for the hedged items and the risk inherent in the hedging instruments are sufficiently aligned.

The carrying amounts of the Group's foreign currency-denominated monetary assets and liabilities at the end of the reporting year are as follows:

	2024 RMB'million	2023 RMB'million
HKD		
Assets	75	105
Liabilities	390	1,117
USD		
Assets	403	263
Liabilities	10,201	16,665

The Group has entered into contracts in relation to the foreign currency-denominated monetary liabilities amounting to RMB748 million (equivalent to USD104 million forward contracts) (31 December 2023: RMB737 million (equivalent to USD104 million forward contracts)).

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Currency risk – continued

Sensitivity analysis

The Group is mainly exposed to the currency risk of HKD and USD.

The following paragraphs detail the Group's sensitivity to a 5% increase and decrease in functional currency against the relevant foreign currency. The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 5%, and it represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis only includes foreign currency outstanding denominated monetary items assuming the balances at the end of the reporting period outstanding for the whole year. It adjusts its translation at the year's end for a 5% change in foreign currency rates.

If RMB strengthens/weakens by 5% against HKD with all other variables held constant, the effect on the profit or loss of the Group will be RMB2 million (2023: RMB3 million). This is mainly attributable to the exposure for those bank balances and cash and outstanding bank borrowings denominated in HKD, which are neither subject to cash flow hedges nor belong to certain overseas subsidiaries, of which functional currency is not RMB, at the end of the reporting year.

If the RMB strengthens/weakens by 5% against USD with all other variables held constant, the effect on the profit or loss of the Group will be RMB130 million (2023: RMB160 million). This is mainly attributable to the exposure for those bank balances and cash, bank borrowings and senior notes denominated in USD, which are neither subject to cash flow hedges nor belong to certain overseas subsidiaries, of which functional currency is not RMB, at the end of the reporting year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to changes in interest rates is mainly attributable to its bank balances and restricted bank balances (note 21) and bank and other borrowings (note 27) at variable rates.

Management aims at keeping bank and other borrowings at fixed rates at an appropriate level by entering into interest rate swaps. Management adopts a policy of ensuring that bank and other borrowings of the Group at an appropriate portion are effectively hedged on a fixed rate basis using interest rate swaps.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, SOFR, CNH HIBOR, and LPR arising from the Group's HKD, USD, and RMB borrowings.

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Interest rate risk – continued

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank and other borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Bank balances are excluded from sensitivity analysis as the Company directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit/loss for the year would decrease/increase by RMB145 million (2023: RMB142 million). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank and other borrowings, after considering the effects of the capitalisation of interest costs.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group, is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount in relation to a financial guarantee issued by the Group as disclosed in note 38 (b).

The Group's credit risk is primarily attributable to its loans to related parties (including loan to a non-controlling shareholder of a subsidiary, loans to joint ventures, amounts due from associates, amounts due from related companies, and amounts due from joint ventures), receivables and prepayments of relocation costs, other receivables (including receivables from disposal of an associate), contract assets, cash deposits with banks and amount in relation to the financial guarantees provided by the Group.

Receivables and contract assets arising from contracts with customers

To minimise the credit risk, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under the ECL model on trade balances arising from sales of properties and arising from construction revenue based on the provision matrix. The credit risk of rental receivables is minimal as the Group has collected rental deposits from the tenants to secure any potential losses from uncollectible debts.

For other receivables, the Group makes periodic individual assessments on the recoverability of other receivables, prepayments of relocation costs, and deposits based on historical settlement records, experience, and quantitative and qualitative information that is reasonable and supportive of forward-looking information. The Group believes there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

Loans to related companies

The Group has loans to related parties, including loans to joint ventures, loans to a non-controlling shareholder of a subsidiary, amounts due from associates, amounts due from related companies, and amounts due from joint ventures. The Group regularly monitors the business performance of the associates and joint ventures. The Group's credit risks in the loans to joint ventures, amounts due from associates/joint ventures/loans to a non-controlling shareholder of a subsidiary are mitigated through the value of the assets held by these entities and the power to participate or jointly control the relevant activities of these entities. The credit risk of amounts due from related companies is managed internally. The Group also actively monitors the outstanding amounts owed by each debtor and uses past-due information to assess whether credit risk has increased significantly since initial recognition. The Group believes that there has been no significant increase in the credit risk of loans to a non-controlling shareholder of a subsidiary, amounts due from associates, and amounts due from joint ventures since initial recognition and the Group provided impairment based on 12-month ECL.

The Group has a concentration of credit risk from loans to joint ventures of RMB5,108 million (2023: RMB5,865 million), amounts due from joint ventures of RMB7,669 million (2023: RMB1,826 million), amounts due from related companies of RMB407 million (2023: RMB406 million) and amounts due from associates of RMB178 million (2023: RMB207 million).

Cash deposits with banks

Cash deposits are mainly placed with state-owned financial institutions and reputable banks, all high-credit-quality financial institutions. Therefore the Group's credit risk on liquid funds is limited.

Contingent liabilities in relation to the financial guarantees

For properties that are still under construction, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group can retain the customer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price drops significantly, which the probability is considered remote, the Group would not be in a loss position in selling those properties out. In this regard, the Company directors consider that the Group's credit risk in relation to financial guarantees from mortgage loans is largely mitigated.

Other than the concentration of credit risk in some of the loans to related parties, as disclosed above, the Group has no other significant concentration of credit risk. Receivables consist of a large number of customers and counterparties.

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Receivables/contract assets	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or through external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty, and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

The tables below detail the credit risk exposures of the Group's financial assets, contract assets, and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2024 Gross carrying amount RMB'million	2023 Gross carrying amount RMB'million
Financial assets at amortised cost						
Receivables	19	N/A	Note 3	Lifetime ECL (provision matrix)	281	338
Amounts due from associates	17	N/A	Note 1	12-month ECL	178	207
Loans to joint ventures	18	N/A	Note 1	Lifetime ECL (credit-impaired)	5,393	5,865
Amounts due from joint ventures	18	N/A	Note 1	12-month ECL	7,669	1,826
Amounts due from related companies	23	N/A	Note 1	Lifetime ECL (not credit-impaired)	407	406
Loans to a non-controlling shareholder of a subsidiary	24	N/A	Note 1	12-month ECL	4	16
Other receivables (including receivables from disposal of an associate)	19	N/A	Note 1	Lifetime ECL (not credit-impaired)	–	19
Prepayments of relocation costs	19	N/A	Note 1	12-month ECL	6	2,119
Pledged bank deposits	21	aaa to a	N/A	12-month ECL	2,780	3,172
Bank balances and cash	21	aaa to a	N/A	12-month ECL	4,954	5,745
Other items						
Contract assets	20	N/A	Note 3	Lifetime ECL (provision matrix)	93	219
Financial guarantee contracts (Note 2)	38 (b)	N/A	Low risk	12-month ECL	102	145

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

Notes:

1. For internal credit risk management, the Group uses past-due information to assess whether credit risk has increased significantly since initial recognition.

	Past due	Not past due/no fixed repayment term	Total
	RMB'million	RMB'million	RMB'million
2024			
Amounts due from associates	–	178	178
Loans to/amounts due from joint ventures	–	13,062	13,062
Amounts due from related companies	–	407	407
Loans to a non-controlling shareholder of a subsidiary	–	4	4
Prepayments of relocation costs	–	6	6
	–	13,657	13,657
2023			
Amounts due from associates	–	207	207
Loans to/amounts due from joint ventures	–	7,691	7,691
Amounts due from related companies	–	406	406
Loans to a non-controlling shareholder of a subsidiary	–	16	16
Other receivables	19	–	19
Prepayments of relocation costs	–	2,119	2,119
	19	10,439	10,458

2. For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts. The maximum amount the Group guaranteed under the respective contracts was RMB102 million as of 31 December 2024 (2023: RMB145 million). At the end of the reporting year, the Company directors performed an impairment assessment and concluded that there has been no significant increase in credit risk since the initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12-month ECL. The directors of the Company considered that the 12-month ECL allowance is insignificant at 31 December 2023 and 31 December 2024.

3. For receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment of its customers in relation to its property sales and construction operation because these customers consist of many small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due per the contractual terms. The following table provides information about the exposure to credit risk for receivables and contract assets, which are assessed based on the provision matrix as of 31 December 2024 within lifetime ECL (not credit-impaired).

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

	2024 loss rate	2023 loss rate	Receivables and contracts assets 2024 RMB'million	Receivables and contracts assets 2023 RMB'million
Gross carrying amount				
Current (not past due)	0.1%	0.1%	124	279
1-30 days past due	1%	1%	54	124
31-60 days past due	2%	2%	6	61
61-90 days past due	4%	4%	7	2
More than 90 days past due	10%	23.3%	183	91
			374	557

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors. They are adjusted for forward-looking information that is available without undue cost or effort.

During the year ended 31 December 2024, the Group made a provision of RMB2 million for impairment allowance for receivables, based on the provision matrix.

The following table shows the movement in lifetime ECL that has been recognised for receivables and contract assets under the simplified approach and for other receivables and loans to joint ventures by using past-due information.

	Lifetime ECL (not credit impaired) RMB'million	Lifetime ECL (credit impaired) RMB'million
On 1 January 2023	22	120
– Impairment losses	1	–
– Written off	–	(120)
On 31 December 2023 and 1 January 2024	23	–
– Impairment losses	2	285
– Written off	(6)	–
On 31 December 2024	19	285

4]. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

Changes in the loss allowance are mainly due to:

	Year ended 31 December 2024	
	Increase in lifetime ECL	
	Not credit-impaired RMB'million	Credit-impaired RMB'million
Impairment losses provided in the reporting year based on the provision matrix with a gross carrying amount of RMB374 million and credit-impaired with a gross carrying amount of RMB5,393 million	2	285

	Year ended 31 December 2023	
	Increase in lifetime ECL	
	Not credit-impaired RMB'million	Credit-impaired RMB'million
Impairment losses provided in the reporting year based on the provision matrix with a gross carrying amount of RMB557 million	1	–

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility using bank and other borrowings, senior notes, and receipts under securitisation arrangements. The Group also monitors the current and expected liquidity requirements and its compliance with lending covenants regularly to ensure it maintains sufficient working capital and adequate committed lines of funding to meet its liquidity requirement.

The following table details the maturities of the Group's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Group can be required to pay. The table includes both interest and principal cash flows.

For derivative instruments that are settled on a net basis, undiscounted net cash outflows are presented.

41. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

Liquidity and interest risk tables

	Weighted average effective interest rate %	Within 1 year or on demand RMB'million	More than 1 year but less than 2 years RMB'million	More than 2 years but less than 5 years RMB'million	More than 5 years RMB'million	Total undiscounted cash flows RMB'million	Carrying amount on 31 December 2024 RMB'million
2024							
Non-derivative financial liabilities							
Financial liabilities included in accounts payable, deposits received and accrued charges		3,362	169	333	35	3,899	3,899
Bank and other borrowings	4.92%	5,456	3,289	6,362	8,093	23,200	19,277
Senior notes	5.54%	3,777	2,955	–	–	6,732	6,437
Receipts under securitisation arrangements	3.90%	216	220	744	5,272	6,452	4,213
Amounts due to related companies		339	–	–	–	339	339
Loans from/amounts due to a joint venture/associates		334	5,914	–	–	6,248	6,125
Loans from/amounts due to non-controlling shareholders		943	–	–	–	943	943
Financial guarantee contracts (note)		102	–	–	–	102	–
Lease liabilities		13	13	41	58	125	100
		14,542	12,560	7,480	13,458	48,040	41,333

	Weighted average effective interest rate %	Within 1 year or on demand RMB'million	More than 1 year but less than 2 years RMB'million	More than 2 years but less than 5 years RMB'million	More than 5 years RMB'million	Total undiscounted cash flows RMB'million	Carrying amount on 31 December 2023 RMB'million
2023							
Non-derivative financial liabilities							
Financial liabilities included in accounts payable, deposits received and accrued charges		3,800	232	400	64	4,496	4,496
Bank and other borrowings	6.15%	9,222	1,942	5,909	3,047	20,120	17,676
Senior notes	5.80%	4,057	3,721	2,911	–	10,689	9,898
Receipts under securitisation arrangements	3.90%	218	216	703	5,633	6,770	4,359
Amounts due to related companies		346	–	–	–	346	346
Loans from/amounts due to a joint venture/associates		964	5,989	–	–	6,953	6,571
Amounts due to non-controlling shareholders		58	–	–	–	58	58
Financial guarantee contracts (note)		145	–	–	–	145	–
Lease liabilities		–	11	26	34	71	58
Liability arising from a rental guarantee arrangement		28	–	–	–	28	28
		18,838	12,111	9,949	8,778	49,676	43,490

4]. Financial instruments – continued

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

Liquidity and interest risk tables – continued

Notes:

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under such an arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee, which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

c. Fair value measurement

The fair values of the Group's financial assets and financial liabilities, excluding derivative financial instruments, are determined by generally accepted pricing models based on discounted cash flow analysis.

The Group's investments in unlisted companies are not traded in an active market, the majority of their fair values are categorized within Level 3 hierarchy and have been determined using net asset value model. The fair value measurement of these investments may involve unobservable inputs such as credit spread, net value of underlying investment, probability of default, loss given default, volatility and liquidity discount. The fair values of these instruments in Level 3 were not significantly sensitive to a reasonable change in these unobservable inputs.

The Group's derivative financial instruments are measured at fair value at the end of the reporting period, and they are grouped under Level 2 financial instruments based on the degree to which the fair value is observable.

The Group's currency forward contract amounting to RMB3 million as financial liabilities (2023: RMB31 million as financial liabilities) are measured at the present value of future cash flows, estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting year) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

The fair values of the fixed rate interest-bearing loans from an associate, loans from a joint venture, loans to joint ventures, bank and other borrowings and receipts under securitisation arrangements categorized within Level 3 hierarchy have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk, and remaining maturities. The amounts of the Group's fixed rate interest-bearing loans from an associate, loans from a joint venture, loans to joint ventures, bank and other borrowings and receipts under securitisation arrangements at 31 December 2024 and 2023 approximated their fair values.

The fair values of senior notes are based on market prices.

41. Financial instruments – continued

c. Fair value measurement – continued

Assets/liabilities for which fair value are disclosed:

As of 31 December 2024

	Fair value measurement using			Total RMB'million	Carrying amounts RMB'million
	Quoted prices in active markets (Level 1) RMB'million	Significant observable inputs (Level 2) RMB'million	Significant unobservable inputs (Level 3) RMB'million		
Loans from a joint venture	–	–	36	36	36
Loans from an associate	–	–	5,825	5,825	5,825
Bank and other borrowings	–	–	800	800	800
Receipts under securitisation arrangements	–	–	4,213	4,213	4,213
Senior notes	5,743	–	–	5,743	6,437
	5,743	–	10,874	16,617	17,311

As of 31 December 2023

	Fair value measurement using			Total RMB'million	Carrying amounts RMB'million
	Quoted prices in active markets (Level 1) RMB'million	Significant observable inputs (Level 2) RMB'million	Significant unobservable inputs (Level 3) RMB'million		
Loans from an associate	–	–	5,825	5,825	5,825
Bank and other borrowings	–	–	800	800	800
Receipts under securitisation arrangements	–	–	4,359	4,359	4,359
Senior notes	6,055	–	–	6,055	9,898
	6,055	–	10,984	17,039	20,882

The Company directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where there is a material change in the fair value of an asset or a liability, the causes of the fluctuations will be reported to the directors of the Company for appropriate actions to be taken.

42. Notes to the consolidated statement of cash flow

a. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to related companies and other payables* RMB'million Note 23 and 25	Bank and other borrowings RMB'million Note 27	Senior notes RMB'million Note 30	Receipts under securitisation arrangements RMB'million Note 31	Derivative financial instruments RMB'million	Loans from/ amounts due to non-controlling shareholders** RMB'million Note 24	Loans from Joint venture RMB'million Note 18	Loans from/ amounts due to associates*** RMB'million Note 17	Dividends and distributions RMB'million Note 11	Lease liabilities RMB'million	Total RMB'million
On 1 January 2024	113	17,676	9,898	4,359	31	–	90	6,045	–	58	38,270
Financing cash flows	–	1,952	(3,520)	(45)	50	(56)	26	–	(423)	(14)	(2,030)
Interest paid	–	(1,151)	(565)	(178)	–	–	(6)	(219)	–	–	(2,119)
Change in fair values	–	–	–	–	(78)	–	–	–	–	–	(78)
Foreign exchange realignment	–	169	121	–	–	–	–	–	–	–	290
Capital injected by non-controlling shareholders of subsidiaries	–	–	–	–	–	(2)	–	–	–	–	(2)
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	–	28	–	–	–	–	28
Interest expenses	–	1,134	503	185	–	–	6	145	–	4	1,977
Final dividends for 2023	–	–	–	–	–	–	–	–	423	–	423
Dividends to non- controlling shareholders of subsidiaries	–	–	–	–	–	30	–	–	–	–	30
Interest payable	–	(4)	–	(8)	–	–	–	–	–	–	(12)
Disposal of subsidiaries	–	(499)	–	–	–	–	(50)	–	–	–	(549)
Others	–	–	–	(100)	–	–	–	–	–	–	(100)
Inception of lease	–	–	–	–	–	–	–	–	–	52	52
Reclassification of loans from a non-controlling shareholders of subsidiaries	–	–	–	–	–	932	–	–	–	–	932
On 31 December 2024	113	19,277	6,437	4,213	3	932	66	5,971	–	100	37,112

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

42. Notes to the consolidated statement of cash flow – continued

a. Reconciliation of liabilities arising from financing activities – continued

	Amounts due to related companies and other payables* RMB'million Note 23 and 25	Bank and other borrowings RMB'million Note 27	Senior notes RMB'million Note 30	Receipts under securitisation arrangements RMB'million Note 31	Derivative financial instruments RMB'million	Loans from/ amounts due to non-controlling shareholders** RMB'million Note 24	Loans from Joint venture RMB'million Note 18	Loans from/ amounts due to associates*** RMB'million Note 17	Dividends and distributions RMB'million Note 11	Lease liabilities RMB'million	Total RMB'million
On 1 January 2023	13	20,257	13,255	–	(492)	144	–	5,762	–	67	39,006
Financing cash flows	100	(2,135)	(3,611)	4,360	456	(480)	87	250	(701)	(12)	(1,686)
Interest paid	–	(1,158)	(755)	(120)	–	–	–	(187)	–	–	(2,220)
Change in fair values	–	–	–	–	141	–	–	–	–	–	141
Foreign exchange realignment	–	161	270	–	–	–	–	–	–	–	431
Capital injected by non-controlling shareholders of subsidiaries	–	–	–	–	–	(35)	–	–	–	–	(35)
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	–	28	–	–	–	–	28
Interest expenses	–	1,175	764	128	–	–	3	220	–	3	2,293
Gain on redemption of senior notes	–	–	(25)	–	–	–	–	–	–	–	(25)
Final dividends for 2022	–	–	–	–	–	–	–	–	466	–	466
Interim dividends for 2023	–	–	–	–	–	–	–	–	235	–	235
Dividends to non-controlling shareholders of subsidiaries	–	–	–	–	–	343	–	–	–	–	343
Interest payable	–	(25)	–	(9)	–	–	–	–	–	–	(34)
Transfer from other receivables	–	–	–	–	(74)	–	–	–	–	–	(74)
Transfer to liabilities associated with assets classified as held for sale	–	(599)	–	–	–	–	–	–	–	–	(599)
On 31 December 2023	113	17,676	9,898	4,359	31	–	90	6,045	–	58	38,270

* Out of the total amounts due to related companies for RMB339 million (2023: RMB346 million) as of 31 December 2024, RMB13 million (2023: RMB13 million) are liabilities from financing activities. Out of the total accounts payables, deposits received and accrued charges for RMB4,260 million (2023: RMB4,879 million) as of 31 December 2024, RMB100 million (2023: RMB100 million) are liabilities from financing activities.

** Out of the total loans from/amounts due to non-controlling shareholders for RMB943 million (2023: RMB58 million) as of 31 December 2024, RMB932 million (2023: Nil) are liabilities from financing activities.

*** Out of the total loans from/amounts due to associates for RMB6,041 million (2023: RMB6,418 million) as of 31 December 2024, RMB5,971 million (2023: RMB6,045 million) are liabilities from financing activities.

b. Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'million	2023 RMB'million
Within financing activities	(14)	(12)

43. Events after the reporting period

In March 2025, the Group fully repaid an aggregate principal amount of USD490 million of senior notes.

44. Statement of financial position of the company

	2024 RMB'million	2023 RMB'million
Non-current assets		
Investments in subsidiaries	10,160	9,730
Amount due from subsidiaries	9,988	10,385
	20,148	20,115
Current (liabilities)/assets		
Bank balances	6	5
Other payable and accrued charges	(4)	(2)
Income tax payable	(33)	(29)
	(31)	(26)
Total assets	20,117	20,089
Capital and reserves		
Share capital	146	146
Reserves (note)	19,971	19,943
Total equity	20,117	20,089

Note: Details of the Company's reserves are set out below:

	Share premium RMB'million	Share award reserve RMB'million	Other reserve RMB'million	Retained profits RMB'million	Total RMB'million
On 1 January 2023	18,052	10	507	1,547	20,116
Profit and total comprehensive income for the year	–	–	–	528	528
2023 interim dividend paid	–	–	–	(235)	(235)
2022 final dividend paid	–	–	–	(466)	(466)
On 31 December 2023 and 1 January 2024	18,052	10	507	1,374	19,943
Profit and total comprehensive income for the year	–	–	–	451	451
2023 final dividend paid	–	–	–	(423)	(423)
On 31 December 2024	18,052	10	507	1,402	19,971

45. Particulars of major subsidiaries

Particulars of the Company's major subsidiaries as of 31 December 2024 and 31 December 2023 are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest held		Place of operation	Principal activities
			2024	2023		
			(note a)			
Shui On Xintiandi Limited	Cayman Islands 27 October 2011	1,280,312 ordinary shares of USD0.001 each	100%	100%	Hong Kong	Investment Holding
Fo Shan An Ying Property Development Co., Ltd. (Note c)	Mainland China 8 January 2008	Registered and Paid-up capital RMB592,000,000	100%	100%	PRC	Property development
Fo Shan Rui Dong Property Development Co., Ltd. (Note d)	Mainland China 25 April 2008	Registered and Paid-up capital RMB1,439,000,000	100%	100%	PRC	Property development
Fo Shan Rui Fang Property Development Co., Ltd. (Note d)	Mainland China 21 May 2008	Registered and Paid-up capital RMB813,910,398	100%	100%	PRC	Property development
Fo Shan Rui Kang Tian Di Property Development Co., Ltd. (Note d)	Mainland China 21 May 2008	Registered and Paid-up capital RMB790,000,000	100%	100%	PRC	Property development
Fo Shan Shui On Property Development Co., Ltd. (Note c)	Mainland China 8 January 2008	Registered and Paid-up capital RMB784,000,000	100%	100%	PRC	Property development
Fo Shan Yi Kang Property Development Co., Ltd. (Note d)	Mainland China 8 January 2008	Registered and Paid-up capital RMB817,000,000	100%	100%	PRC	Property development
Shanghai Bai-Xing Properties Co., Ltd. (Note c)	Mainland China 2 February 1999	Registered and Paid-up capital RMB146,761,000	100%	100%	PRC	Property development and property investment
Shanghai Fu-Xiang Properties Co., Ltd. (Note b)	Mainland China 19 December 2001	Registered and Paid-up capital RMB315,000,000	99%	99%	PRC	Property development and property investment
Shanghai Ji-Xing Properties Co., Ltd. (Note c)	Mainland China 2 February 1999	Registered and Paid-up capital RMB69,452,000	100%	100%	PRC	Property development and property investment
Shanghai Jiu Hai Rimmer Properties Co., Ltd. (Note b)	Mainland China 1 November 1994	Registered and Paid-up capital USD30,000,000	80%	80%	PRC	Property development and property investment
Shanghai Jun Xing Property Co., Ltd. (Note b)	Mainland China 5 March 2009	Registered and Paid-up capital RMB10,000,000	98%	98%	PRC	Property development
Shanghai Rui Chen Property Co., Ltd. (Note c)	Mainland China 6 May 1996	Registered and Paid-up capital RMB70,000,000	100%	100%	PRC	Property development and property investment

45. Particulars of major subsidiaries – continued

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest held		Place of operation	Principal activities
			2024	2023		
			(note a)			
Shanghai Rui Qiao Property Development Co., Ltd. (Note c)	Mainland China 28 December 2010	Registered and Paid-up capital RMB3,900,000,000	100%	100%	PRC	Property development and property investment
Shanghai Xin-Tian-Di Plaza Co., Ltd. (Note c)	Mainland China 2 February 1999	Registered and Paid-up capital RMB98,261,000	100%	100%	PRC	Property development and property investment
Shanghai Xing-Qi Properties Co., Ltd. (Note c)	Mainland China 2 February 1999	Registered and Paid-up capital RMB266,653,000	100%	100%	PRC	Property development and property investment
Shui On Development (Holding) Limited	Cayman Islands 27 July 2005	22 ordinary shares of USD0.01 each	100%	100%	Hong Kong	Investment holding and debt financing
Shui On Land Management Limited	Hong Kong 12 May 2004	1 ordinary share of HKD1	100%	100%	Hong Kong	Provision of management services
Wuhan Shuion Shangqi Real Estate Management Co., Ltd. (Note d)	Mainland China 24 July 2012	Registered and Paid-up capital RMB104,600,000	100%	100%	PRC	Property investment
Wuhan Shui On Tiandi Property Development Co., Ltd. (Note c)	Mainland China 2 August 2005	Registered capital USD288,000,000 Paid-up capital USD282,600,000	100%	100%	PRC	Property development and property investment
上海彩興房地產開發有限公司 (Shanghai Cai Xing Properties Development Co., Ltd.)* (Note b)	Mainland China 16 May 2014	Registered and Paid-up capital RMB500,000,000	99%	99%	PRC	Property development
上海豐誠物業管理有限公司 (Shanghai Feng Cheng Property Management Co., Ltd.)* (Note c)	Mainland China 18 January 2004	Registered and Paid-up capital RMB37,079,950	100%	100%	PRC	Property management
瑞安管理(上海)有限公司 (Shui On Management Limited*) (Note c)	Mainland China 14 June 2004	Registered and Paid-up capital USD58,000,000	100%	100%	PRC	Provision of management services
瑞安建築有限公司 (Shui On Construction Co., Ltd.) (Note b)	Mainland China 27 April 1985	Registered and Paid-up capital RMB113,000,000	100%	100%	PRC	Provision of construction services
上海澤辰房地產經營有限公司 (Shanghai Ze Chen Real Estate Co., Ltd.)* (Note c)	Mainland China 1 December 2017	Registered and Paid-up capital RMB10,000,000	100%	100%	PRC	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

45. Particulars of major subsidiaries – continued

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest held		Place of operation	Principal activities
			2024	2023		
			(note a)			
上海新灣景置業有限公司 (Shanghai Xin Wan Jing Property Co., Ltd.) (Note d)	Mainland China 28 March 2008	Registered and Paid-up capital RMB40,000,000	100%	100%	PRC	Property development and property investment
上海蟠龍天地有限公司 (Shanghai Panlong Tiandi Co., Ltd.*) (Note d)	Mainland China 8 May 2017	Registered and Paid-up capital RMB1,300,000,000	80%	80%	PRC	Property development and property investment
瑞安新天地(上海)商業管理有限公司 (Shui On Xintiandi Commercial Management Ltd*) (Note c)	Mainland China 25 February 2013	Registered and Paid-up capital USD10,000,000	100%	100%	PRC	Provision of management services
上海瑞安投資集團有限公司 (Shui On Investment Group Limited*) (Note c)	Mainland China 20 October 2022	Registered capital USD170,000,000 Paid-up capital USD90,619,348	100%	100%	PRC	Investment holding and debt financing

Notes:

a. The Company directly holds the equity interest in Shui On Development (Holding) Limited. All other equity interests shown above are indirectly held by the Company.

b. This Company is a sino-foreign equity joint venture.

c. This Company is a wholly foreign-owned enterprise.

d. This Company is a wholly domestic owned enterprise.

* For identification purposes

45. Particulars of major subsidiaries – continued

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary	Proportion of equity interest held by non-controlling shareholders On 31 December		Profit allocated to non-controlling shareholders Year ended 31 December		Accumulated non-controlling interests On 31 December	
	2024	2023	2024	2023	2024	2023
	RMB million		RMB million		RMB million	
Bright Power Enterprises Limited ("Bright Power")	49%	49%	367	68	1,692	1,880
Merry Wave Limited ("Merry Wave")	49%	49%	193	35	820	1,159
Individually immaterial subsidiaries with non-controlling interests	N/A	N/A	70	484	1,672	2,247
			630	587	4,184	5,286

Summarised financial information in respect of Bright Power is set out below. The summarised financial information below represents amounts before intragroup eliminations:

	On 31 December	
	2024 RMB'million	2023 RMB'million
Current assets	4,442	283
Non-current assets	–	5,877
Current liabilities	926	230
Non-current liabilities	–	1,507
Equity attributable to shareholders of Bright Power	3,516	3,869

	Year ended 31 December	
	2024 RMB'million	2023 RMB'million
Revenue	367	388
Profit and total comprehensive income for the year	808	164
Repayment of equity loans from a non-controlling shareholder of Bright Power	107	32
Net cash (used in)/from operating activities	188	225
Net cash from/(used in) investing activities	(108)	(14)
Net cash used in financing activities	(282)	(202)
Net cash (outflow)/inflow	(202)	9

45. Particulars of major subsidiaries – continued

Summarised financial information in respect of Merry Wave is set out below. The summarised financial information below represents amounts before intragroup eliminations:

	On 31 December	
	2024 RMB'million	2023 RMB'million
Current assets	2,119	224
Non-current assets	–	2,696
Current liabilities	485	164
Non-current liabilities	–	318
Equity attributable to shareholders of Merry Wave	1,634	2,417

	Year ended 31 December	
	2024 RMB'million	2023 RMB'million
Revenue	131	150
Profit and total comprehensive income for the year	305	73
Repayment of equity loans from a non-controlling shareholder of Merry Wave	48	187
Net cash from operating activities	67	57
Net cash from investing activities	998	301
Net cash used in financing activities	(553)	(386)
Net cash inflow/(outflow)	512	(28)

FINANCIAL SUMMARY

Summary of Consolidated Statement of Profit or Loss

for the year ended 31 December

	2020 RMB' million	2021 RMB' million	2022 RMB' million	2023 RMB' million	2024 RMB' million
Revenue	4,597	17,555	15,565	9,752	8,173
Profit/(loss) attributable to shareholders	(740)	1,636	906	810	180
Owners of perpetual capital securities	269	234	116	–	–
Owners of convertible perpetual capital securities	49	–	–	–	–
Non-controlling shareholders of subsidiaries	189	338	453	587	630
Profit/(loss) for the year	(233)	2,208	1,475	1,397	810

Summary of Consolidated Statement of Financial Position

as of 31 December

	2020 RMB' million	2021 RMB' million	2022 RMB' million	2023 RMB' million	2024 RMB' million
Investment properties	51,220	51,311	51,665	49,604	40,964
Property and equipment	1,235	1,193	1,197	970	829
Properties under development for sale	21,247	6,699	4,541	1,957	2,694
Properties held for sale	938	7,217	1,759	1,069	817
Interests in associates	7,828	8,038	8,010	8,932	8,641
Interests in joint ventures	11,973	15,472	13,154	13,696	14,806
Receivables, deposits, and prepayments	2,775	2,178	1,901	3,481	976
Other assets	2,463	4,504	9,283	12,372	14,477
Pledged bank deposits, bank balances and cash	15,796	17,284	13,368	8,917	7,734
Total assets	115,475	113,896	104,878	100,998	91,938
Current liabilities	39,541	34,149	27,524	25,641	17,713
Non-current liabilities	29,201	30,569	32,953	31,208	31,556
Total liabilities	68,742	64,718	60,477	56,849	49,269
Net assets	46,733	49,178	44,401	44,149	42,669
Equity attributable to:					
Shareholders of the Company	38,577	39,936	39,150	38,863	38,485
Owners of perpetual capital securities	4,062	4,049	–	–	–
Non-controlling interests	4,094	5,193	5,251	5,286	4,184
Total equity	46,733	49,178	44,401	44,149	42,669

Per share data

for the year ended 31 December

	2020	2021	2022	2023	2024
Basic earnings/(loss) per share (RMB)	(0.092)	0.203	0.113	0.101	0.022
Dividend per share					
– Interim paid (HKD)	–	0.036	0.036	0.032	–
– Final proposed (HKD)	–	0.084	0.064	0.058	0.036
– Full year (HKD)	–	0.120	0.100	0.090	0.036
Bonus shares	–	–	–	–	–

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Vincent H. S. LO (Chairman)
Ms. Stephanie B. Y. LO (Vice Chairman)
Ms. Jessica Y. WANG (Chief Executive Officer)
Mr. Douglas H. H. SUNG
(Chief Financial Officer and Chief Investment Officer)

Independent Non-executive Directors

Professor Gary C. BIDDLE
Mr. Anthony J. L. NIGHTINGALE
Mr. Shane S. TEDJARATI
Ms. Ya Ting WU
Mr. Albert K. P. NG
Mr. Gregory K. L. SO
Ms. Randy W. S. LAI

AUDIT AND RISK COMMITTEE

Professor Gary C. BIDDLE (Chairman)
Mr. Albert K. P. NG
Mr. Gregory K. L. SO

REMUNERATION COMMITTEE

Mr. Anthony J. L. NIGHTINGALE (Chairman)
Mr. Vincent H. S. LO
Professor Gary C. BIDDLE

NOMINATION COMMITTEE

Mr. Shane S. TEDJARATI (Chairman)
Professor Gary C. BIDDLE
Ms. Stephanie B. Y. LO

SUSTAINABILITY COMMITTEE

Ms. Ya Ting WU (Chairman)
Ms. Randy W. S. LAI
Ms. Stephanie B. Y. LO
Ms. Jessica Y. WANG

STRATEGY COMMITTEE

Mr. Vincent H. S. LO (Co-chair)
Mr. Shane S. TEDJARATI (Co-chair)
Professor Gary C. BIDDLE
Mr. Anthony J. L. NIGHTINGALE
Mr. Albert K. P. NG
Ms. Stephanie B. Y. LO
Mr. Douglas H. H. SUNG

COMPANY SECRETARY

Mr. UY Kim Lun

AUDITOR

Ernst & Young
Registered Public Interest Entity Auditor

LEGAL ADVISERS

Freshfields
Johnson Stokes & Master

REGISTERED OFFICE

One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

CORPORATE HEADQUARTERS

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(Hong Kong)	34/F, Shui On Centre 6-8 Harbour Road Wan Chai Hong Kong

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Hong Kong

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Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Limited
Bank of China Limited
China Merchants Bank Co., Limited
Industrial and Commercial Bank of
China Limited
Shanghai Pudong Development Bank
Co., Limited
United Overseas Bank Limited

STOCK CODE

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