大悅城控股 GRANDJOY

中糧 COFCO
自然之源 重塑你我

JOY CITY PROPERTY LIMITED
大悅城地產有限公司

Incorporated in Bermuda with limited liability

Stock Code : 207

Joy Up our life, Enjoy the World
大悅中國・賦美生活

2024
Annual Report

Our Missions

Contribute quality green living space and services, lead the trend of a fashionable lifestyle, in order to become a leader among real estate brands in the PRC with the greatest sustainable development potential.

Our Visions

Maximize the benefits of customers, shareholders and staff members wholeheartedly.

Contents

Company Profile

Joy City Property Limited is a large-scale commercial property developer and operator, focusing on the development, operation, sales, leasing and management of complexes and commercial properties in the PRC.

COFCO Corporation, the ultimate controlling shareholder of Joy City Property Limited, is a large state-owned enterprise directly under the administration of the Central Government of China, and has been selected as one of the Fortune Global 500 for 30 consecutive years. COFCO Corporation is one of 16 enterprises under the direct management of the Central Government with the approval of the SASAC to engage in the development, investment and management of real estate projects. Joy City is the flagship brand of COFCO Corporation in the commercial property sector.

The Group mainly engages in the development, operation and management of urban complexes under the brand of Joy City. It also engages in the development, sales, investment and management of other property projects. The Group has four business segments, namely investment properties, property development, hotel operations and output management and other services. As of the end of 2024, the Group had expanded into the core cities and their surrounding areas in five major city groups including Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing and the Middle Reaches of the Yangtze River. Meanwhile, the Group successfully established its presence in 24 cities in the Mainland of China, including Beijing, Shanghai, Guangzhou, Tianjin, Shenyang, Hangzhou, Nanjing, Chengdu, Xi'an, Chongqing, Qingdao, Wuhan, Sanya, Changsha, Suzhou, Xiamen and Nanchang, as well as in Hong Kong. It holds or manages 32 Joy City and Joy Life malls and other commercial projects, and holds premium investment properties at prime locations in first-tier cities, including Beijing COFCO Plaza and Hong Kong COFCO Tower, as well as popular properties held for sale, namely Hangzhou Luyue Langyun Mansion, Xi'An OPUS Yangjing, and a number of international top-class luxury hotels, including The St. Regis Sanya Yalong Bay Resort, MGM Grand Sanya and Waldorf Astoria Beijing. The Group's property projects are strategically located in central districts of first– or second-tier cities with superior quality as well as good investment value and appreciation potentials.

The Group has always served urban development and the creation of a better life for the people as an outstanding city operator and a service provider, shouldered its social responsibilities as an enterprise directly under the central government, and made active contributions to give back to the state and society.

Major Business Structure

PROPERTY DEVELOPMENT:

1. Beijing Chenyue Intl
2. Shanghai Qiantan Ocean One
3. Shanghai Ruihong
4. Shanghai Jing'an Joy City (portion for sale)
5. Shanghai North Bund Project
6. Shenyang Joy City (for sale)
7. Jinan COFCO Shine City
8. Hangzhou Joy City (portion for sale)
9. Hangzhou OPUS Mansion
10. Hangzhou Luyue Langyun Mansion
11. Chengdu Tianfu Joy City (portion for sale)
12. Chengdu Xiangyun Yuefu
13. Chengdu COFCO Joy Mansion One
14. Chengdu Wine Town South Project
15. Xi'An OPUS Yangjing
16. Xi'An OPUS Yangchen
17. Chongqing Joy City (portion for sale)
18. Chongqing One Majesty
19. Qingdao Joy Bay
20. Qingdao Jimo Chuangzhi Splendid City
21. Qingdao JOY PARK
22. Wuhan Optics Valley Joy City (portion for sale)
23. Kunming Longshengfu
24. Sanya Joy Center
25. Suzhou COFCO Joy Mansion
26. Suzhou Joy Shishan One
27. Xiamen Yunxi One
28. Nanchang Joy City (portion for sale)
29. Nanjing In Joy
30. Nanjing Joy Court
31. Nanjing OPUS Jiuzhang
32. Changzhou Flower Jiangnan

HOTEL OPERATIONS:

1. Waldorf Astoria Beijing
2. Le Joy Hotel Beijing
3. The St. Regis Sanya Yalong Bay Resort
4. MGM Grand Sanya

INVESTMENT PROPERTIES:

1. Beijing Xidan Joy City
2. Beijing Chaoyang Joy City
3. Beijing COFCO Plaza
4. Beijing Xidan Joy Center
5. Shanghai Jing'an Joy City
6. Tianjin Joy City
7. Shenyang Joy City
8. Yantai Joy City
9. Jinan Joy City
10. Hangzhou Joy City
11. Chengdu Joy City
12. Chengdu Tianfu Joy City
13. Chongqing Joy City
14. Qingdao Jimo Joy Breeze
15. Wuhan Joy City
16. Sanya Joy City
17. Suzhou Joy City
18. Xiamen Joy City
19. Nanchang Joy City
20. Nanjing Joy City
21. Hong Kong COFCO Tower

OUTPUT MANAGEMENT AND RELATED SERVICES:

1. Joy City Commercial Management
2. Beijing Jingxi Joy City
3. Beijing Daxing Joy Breeze
4. Beijing Haidian Joy City
5. Beijing Huijing Twin Towers
6. China Post Insurance Jiu'an Plaza (formerly known as COFCO • Landmark Plaza)
7. Shanghai Parkside Joy City
8. Guangzhou Huangpu Joy Life
9. Tianjin Heping Joy City
10. Tianjin Xiqing Joy Life
11. Shenyang Financial Center Joy City
12. Chengdu Jinniu Joy City
13. Xi'an Joy City
14. Changsha North Star Delta Joy City
15. Wuxi Jiangnan Joy City
16. Shaoxing Guojin Joy City
17. Anshan Joy City

Major Events and Awards

Outstanding Service Provider of Urban Operation and Better Life

Major Events and Awards

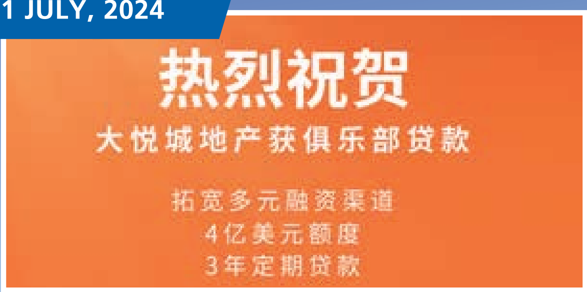
7 APRIL, 2024

The Group successfully acquired a premium land parcel in Chang'an District, Xi'an City, to create an ideal living environment in Xi'an City with our "Yue" series products and to facilitate the multi-dimensional development of the region.

25 JUNE, 2024

The Hangzhou Luyue Langyun Mansion Project launched its final phase with four sell-outs in 90 days and sales of RMB9.1 billion, attracting over 10,000 groups of customers for online registration, once again proving the market's recognition of the Group's brand and product strength.

31 JULY, 2024



The Group entered into a facility agreement with a club comprising certain banks and successfully raised a total of US$400 million of three-year club loans, which will further optimize the capital structure, enhance its liquidity, and provide strong support for the Group's sustainable development.

20 SEPTEMBER, 2024

The listing ceremony of CAMC-Joy City Shopping Mall Closed-end Infrastructure Securities Investment Fund (stock code: 180603) was held at the Shenzhen Stock Exchange. In the future, the Group will continue to operate commercial complex projects efficiently, strive to create new consumption scenes and stimulate new consumption vitality.

26 SEPTEMBER, 2024

Waldorf Astoria Beijing was awarded the "Readers' Choice Awards (China Hotel) 2024" by Condé Nast Traveler, once again proving the recognition and love of this charming urban hotel among travelers.

30 SEPTEMBER, 2024

Xiamen Joy City grandly opened with a 100% occupancy rate and a 98% overall opening rate, with over 200 brands making their debut, aiming to continuously develop a new urban commercial landmark radiating across Xiamen.

1 OCTOBER, 2024

The grand opening of Sanya Joy City, with 100% occupancy rate and opening rate, demonstrated the Group's strong brand attraction and market appeal, and injected vitality and confidence into the economic development of Sanya and even Hainan Free Trade Port.

18 NOVEMBER, 2024

The Group successfully bid for a prime land in the core area of Sanya CBD and held a groundbreaking ceremony for the COFCO • Boyue One Mansion project, continuing to collaborate with Sanya in writing a new chapter of urban development.

FROM 8 NOVEMBER TO 8 DECEMBER, 2024

The 2024 "Joy City Run" brand public welfare activity was successfully held, with widespread participation of caring people from all walks of life. The cumulative donation steps reached 270 million, exchanging for 10,000 saxaul trees, contributing to the continuous improvement of the ecosystem in the Alxa region. The activity was incorporated into a "Corporate Responsibility Case" by the People's Corporate Social Responsibility Forum.

10 DECEMBER, 2024

Beijing COFCO Plaza was awarded the "Golden Building Award – 2024 Landmark Office Building" by the China Real Estate Chamber of Commerce, which was another recognition of the Group's capability in the field of office building management by the industry.

18 DECEMBER, 2024

The Group won 10 honors on the "Winshang Top 100 List". Beijing Haidian Joy City won the "Golden Censer Prize for Commercial Properties in China – 2024 Highly Anticipated Commercial Real Estate Project". Seven projects, including Beijing Chaoyang Joy City, Beijing Xidan Joy City, Tianjin Joy City, and Shanghai Jing'an Joy City, were awarded "2024 Popular Shopping Centers TOP100", showing that Joy City's commercial value has been recognized by the industry, and its brand influence has reached a new level.

21 DECEMBER, 2024

The grand opening of Beijing Haidian Joy City introduced over 280 brands, with traffic exceeding 0.36 million in just two days, further improving the commercial layout in northern Beijing and continuously contributed to revitalising the lifestyle of consumers.

Financial Highlights

Item	For the year ended 31 December 2024 RMB'000	2023 RMB'000	Change (%)
Revenue	**19,831,005**	13,272,094	49.4
Including: Rental income from investment properties and related services income	**4,176,186**	4,359,321	-4.2
Sales of properties held for sale	**14,544,851**	7,705,374	88.8
Hotel operations	**868,805**	969,750	-10.4
Output management project	**175,579**	169,489	3.6
Other service income	**65,584**	68,160	-3.8
Gross profit	**5,639,356**	5,641,491	-0.0
(Loss)/profit attributable to owners of the Company	**(293,824)**	340,027	-186.4
Core net profit attributable to owners of the Company (Note 1)	**846,165**	991,332	-14.6
Basic (loss)/earnings per share (RMB cent)	**(1.9)**	2.2	-186.4

Item	As of 31 December 2024 RMB'000	2023 RMB'000	Change (%)
Total assets	**135,224,523**	143,619,078	-5.8
Equity attributable to owners of the Company	**29,532,495**	29,916,364	-1.3
Net debt to total equity ratio (%) (Note 2)	**45.1**	44.0	1.1 (Note 3)
Weighted average finance costs	**4.10%**	4.49%	-0.39 (Note 3)

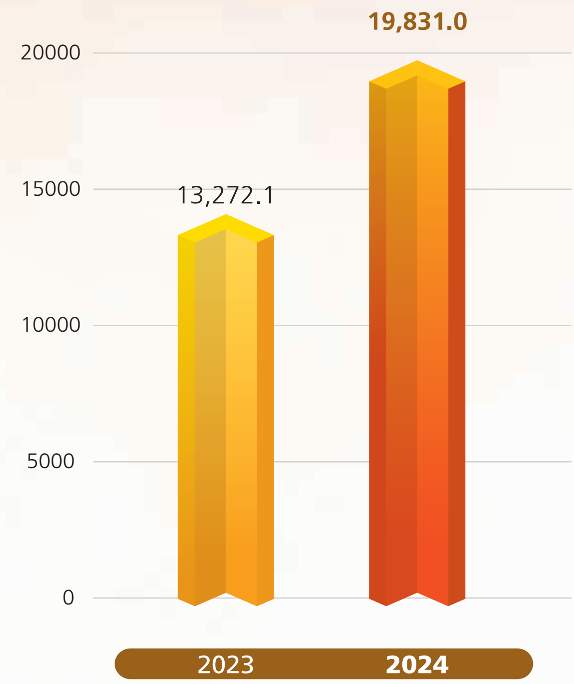
Notes:

1. Core net profit attributable to owners of the Company = profit attributable to owners of the Company – fair value losses/gains after tax of investment property and foreign exchange gain/loss attributable to owners of the Company + after-tax fair value gains on investment properties realised from disposal of subsidiaries, please refer to the section headed 4. Financial Review for further details

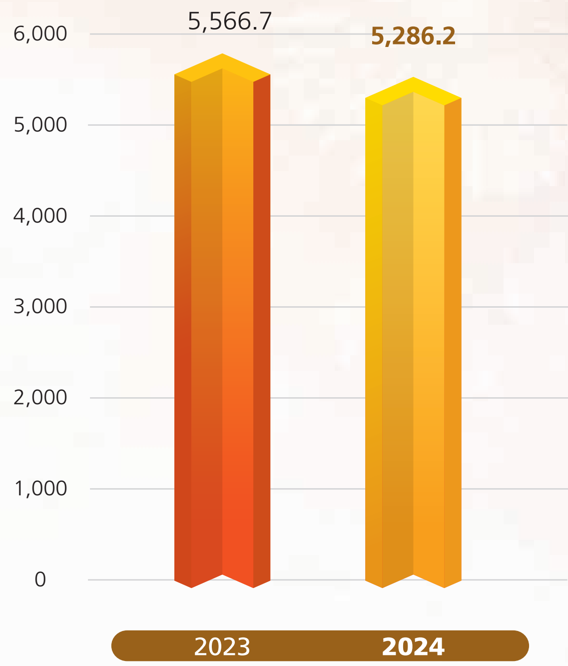
2. Net debt to total equity ratio = (bank borrowings + borrowings from fellow subsidiaries, associates and joint ventures as well as loans from non-controlling interests and borrowings from third parties + corporate bonds – cash and bank balances – restricted bank deposits – pledged deposits)/total equity

3. Change in percentage

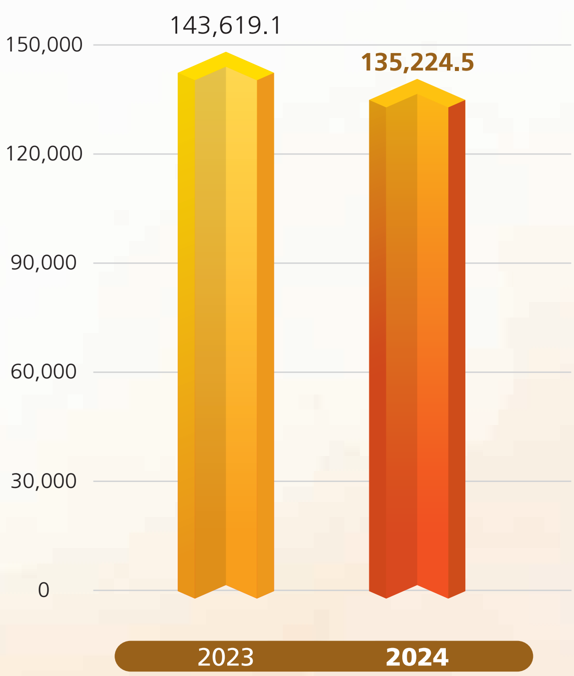
Revenue
RMB: million



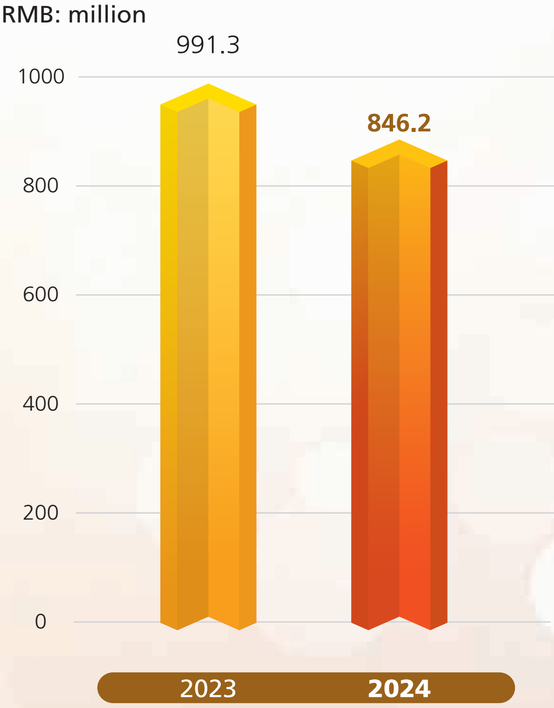
Recurring revenue (Note 4)
RMB: million



Total assets
RMB: million



Core net profit attributable to owners of the Company
RMB: million



Note:

4. Recurring revenue = rental income from investment properties and related services income + revenue from hotel operations + revenue from output management projects + revenue from other services

Chairman's Statement

The Group adheres to the strategic positioning as "an outstanding service provider of urban operation and better life", continues to enhance its leading position in commerce, accelerates the establishment of new development models, achieves high-quality development and creates greater value for the country, society, customers and shareholders.

Dear Shareholders,

In 2024, China's economic operation was generally stable with steady progress, and high-quality development was solidly advanced. During the year, under the influence of continuous effects of macro policy, the main development goals were successfully achieved. However, due to the deepening adverse effects arising from the changes in the external environment, the continuous economic recovery and improvement still faced difficulties and challenges. In 2024, the real estate industry was generally in a phase of low-level adjustment, and the commercial housing sales market showed a trend of "first down and then up" throughout the year. In the first three quarters of the year, new home sales saw a significant year-on-year decline. Subsequently, on 26 September, the Political Bureau of the Central Committee of the Communist Party of China proposed at the meeting to "promote the stabilization of the real estate market to stop the decline", and inject a "cardiac stimulant" into the real estate market. In the fourth quarter, the transaction volume of new homes and second-hand homes showed a significant rebound.

Facing the profound changes in the real estate industry, the Group rose to the challenge, gave full play to its strategic initiative to actively transform to a new development model and address the challenges in the industry. In 2024, the Group adhered to its positioning as "an outstanding service provider of urban operation and better life", and focused on enhancing its leading position in commerce and achieving continuous improvement in operational capabilities. Meanwhile, we consolidated high-quality development business, developed advantageous products, continuously enhanced brand influence, and continuously strengthened operational capabilities in terms of commercial rejuvenation and high quality of residence, seeking efficiency through management.

The Group continuously strengthened its commercial leadership, and refined and enhanced the operational capabilities of investment properties. In 2024, investment properties achieved operating revenue of approximately RMB4.18 billion, representing a year-on-year decrease of 4.2%. In the second half of 2024, the Group successfully achieved the high-quality opening of Xiamen Joy City, Sanya Joy City and Beijing Haidian Joy City, and the brand influence was steadily enhanced. During the year, the Group enhanced its capital operation and successfully realized the listing and trading of the GJOY REIT. We opened up the business closed cycle of "investment, financing, construction, management and exit", established an important platform for the development of operational businesses, made the capital circle smoother, became a significant milestone in the construction of a new development model and further supported the Company's high-quality development.

In terms of financial capital, the Group always maintains a prudent financial policy. The Company fully leveraged on its access to multiple financing platforms at home and abroad and a good relationship with banks, and continuously launched innovative financing products. Through maintaining a good relationship with banks, the Company actively broadened financing channels to optimize its financing structure. The Company's average financing cost stood at approximately 4.10%, representing a year-on-year decrease of 0.39 percentage point, which remained at a relatively low level in the industry.

Looking forward to 2025, it is expected that policy efforts will be further intensified and the macro economy will sustain recovery and improvement. At the same time, more proactive and effective macro policies will also be conducive to stabilizing the real estate industry and halting its decline. As one of the key tasks for 2025, expanding domestic demand and boosting consumption is expected to urge the introduction of detailed measures in various aspects such as innovating diversified consumption scenarios, expanding service consumption and developing the debut economy, which will provide consumers with more diverse and abundant consumption experiences and drive and cultivate more incremental consumption. In general, in 2025, the Group will take on the responsibility of cultivating and expanding emerging consumption, provide consumers with services of higher quality by expanding consumption scenarios, increasing new products, new services and new experiences and enriching diverse business formats, continuously expand the influence of the Joy City brand, seize the opportunities of market recovery, promote steady growth in various performances, and make greater contributions to the country, society, customers and shareholders.

悦精彩 JOY-FULL OCCASIONS

Great New Trends Leading the Way of Commerce, Revitalizing Consumption towards the Future of Joy City

Introduction

Since the first Joy City embarking on its commercial journey in 2007, the Group has contributed Joy City's strength to the innovation and transformation of the consumer market with its unique commercial vision and persistent cultivation spirit. In 2024, the Group continuously deepened asset management, expanded commercial layout, meticulously cultivated operational innovation, and diligently wrote a new chapter for the high-quality development of the city.

I.

Great New Achievements: REIT Leading the Way in Deepening Asset Management

As at 20 September 2024, the CAMC-Joy City Shopping Mall Closed-end Infrastructure Securities Investment Fund (stock code: 180603) was officially listed on the Shenzhen Stock Exchange, becoming the first consumption REIT in the Southwest region and also the first consumption REIT that closed its public offering early on the date of its launch. The underlying asset of the fund was Chengdu Joy City, the high-quality shopping mall under the Group. Leveraging on its stable operation, it achieved fund-level income of RMB86.06 million in the fourth quarter. The amount available for distribution was RMB45.29 million, and the annualized cash flow distribution rate was 5%. As of 31 December 2024, the project's occupancy rate at the end of the period reached 98.10%, representing an increase of 2.6% as compared with the 95.50% projected for the same period in the fund's prospectus; the rental collection rate reached 99.97% at the end of the period, delivering an excellent report of asset management. While creating outstanding performance, GJOY REIT actively rewarded investors. In the first income distribution from 14 to 15 January 2025, the dividend amount reached RMB43.63 million.

(Chengdu Joy City)

As the Group's pioneering commercial project in the Southwest region, Chengdu Joy City focused on the core positioning of "AAA Trendy Shopping Park", maintained a momentum of high-energy renewal. In 2024, it introduced over 130 new brands, and hosted more than 30 debut shows and celebrity events for top-tier IPs. The debut shows of the IPs achieved exposure of over 1.5 billion, continuously resonating with young people and solidifying its position as a benchmark in the consumption market of Southwest region.

II.

Joy City Unfolding New Chapters: Expanding the Territory with the Grand Opening of the Projects in Three Cities

During the year, the Group's commercial sector adhered to steady development, and achieved the grand opening of three projects, namely Xiamen Joy City, Sanya Joy City and Beijing Haidian Joy City, which enriched the commercial landscape, optimized the national layout, further expanded the Group's influence in different regions, and enabled it to continuously lead the way in the commercial sector.

As at 30 September 2024, the Group's first flagship project in Fujian, Xiamen Joy City, grandly opened with an investment attraction rate of 100% and an overall opening rate of 98%, joyfully meeting the consumers in Xiamen. On the first day of opening, it attracted more than 173,000 visitors, with more than 500,000 visitors in the first three days after the opening, marking a successful start for the Group's first project of commercial opening in 2024; the sales exceeded RMB62 million in the first eight days, with 79 brands setting new sales highs in Xiamen and Fujian Province; during the opening period, it collaborated with Hong Kong Disneyland to launch the first exhibition in Fujian and held exhibition and performance activities such as LinaBell & StellaLou, forming a distinct market impression. Based on the positioning of a "Romantic Landmark of Coastal Literature and Art", the project achieved sales of RMB350 million and a total footfall of more than 6.5 million within three months after the opening, becoming a new benchmark for quality lifestyle in Xiamen.

(Xiamen Joy City)

(Sanya Joy City)

As at 1 October 2024, the highly anticipated first tropical Joy City in the country, Sanya Joy City, grandly opened. It set a new record of opening within the system of Joy City with an outstanding performance, with an investment attraction rate of 100% and an opening rate of 100%, which demonstrated the strong brand attraction and market appeal of Joy City, and injected vitality and confidence into the economic development of Sanya Free Trade Port and even Hainan Free Trade Port. During the opening period, it created the Zootopia "Claw and Claw" festival event in collaboration with Disney China, which stimulated the enthusiasm of the entire city. On the first day of opening, the footfall exceeded 140,000. Its monthly footfall exceeded the threshold of one million in three months after the opening, establishing itself as a new commercial landmark in Sanya. Positioned as the "Main Venue for Trendy Lifestyle in the Island", the project gathered more than 200 brands, of which the first stores in the city, flagship stores and customized stores accounted for more than 60%. In the first month after the opening, 5 brands ranked first in China in terms of performance, 8 brands ranked first in South China, 56 brands ranked first in Hainan and 42 brands ranked first in Sanya. Since its opening, the average monthly sales of the project exceeded RMB100 million, and it led new fashion trends of the international tourism and consumption center.

(Beijing Haidian Joy City)

As at 21 December 2024, Beijing's fourth Joy City – Beijing Haidian Joy City realized a dazzling debut, and achieved a "good beginning" on the first day of opening, with footfall of over 216,000 and sales of over RMB17.77 million. Ten stores, including new balance, GAP, BENLAI, SiSYPHE and Naturehike, ranked first in China in terms of sales. With an investment attraction rate of 98.5% and an opening rate of 97.5%, it further upgraded and improved the commercial layout in the northern region of the capital. Centering on the core positioning of "Smart and Trendy Venue of Mountain Lifestyle", the project gathered over 280 brands and built itself as a commercial complex with the most abundant business formats and the most complete supporting facilities in the north of Haidian. It continuously enhanced the degree of commercial fashion of the region and injected strong momentum for prosperous development of the region.

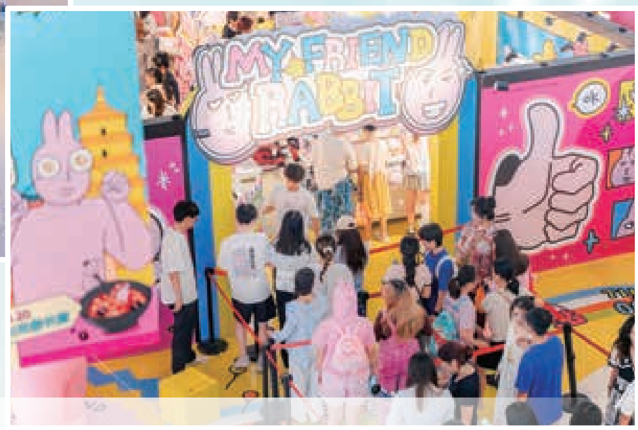
III.

Looking Forward to Trendy New Life:

First Store, First Launch, Dimensional Breakthrough

In 2024, the Group continuously deployed innovative business formats such as first stores, first exhibitions and first shows, stimulated the vitality of business districts and empowered commercial development.

During the year, the Group incorporated their own positioning and characteristics into the commercial projects in operation, introduced over 450 first stores, flagship stores and concept stores of national and regional brands, accelerated renewal and upgrade of products, and drove lifestyle transformation. Among them, Beijing Xidan Joy City introduced 45 high-quality first stores and flagship stores, including the first store of SUSHIRO in Beijing, the first store of Aged Ground Beef & Rice (肉肉大米) in North China, the first store of Mardi Mercredi in the region, the first store of GROTTO in the region, the LEGO® brand benchmark store, the first store of RALPH LAUREN fragrance in North China and the new image store in China, and was awarded the "Global Debut Center" in the "2024 Global Debut Festival"; Beijing Chaoyang Joy City newly introduced over 50 new first stores and flagship stores, including the largest flagship store of MUJI in China, the first store of TRUE RELIGION in North China, the first store of "See You at Two O'clock! Afternoon Tea (兩點見!下午茶)" in China, the first flagship store of 52TOYS in Beijing and the first store of YUEWEN GOODS in North China; Tianjin Joy City newly introduced high-quality roast duck brand Taste of Dadong (小大董), outdoor brand BLUE Lanqi, American street brand UNDEFEATED, popular yoga brand MAIA ACTIVE and the first LAB store of Haidilao in China, continuously creating a sense of surprise providing frequent customers with new experiences, and further enhancing the consumption experience by living scenarios with more quality and in line with modern consumption concepts.



From niche circle culture to widely popular cultural phenomena, ACG content and scenarios are continuously growing and becoming a unique component of self-expression for the young generation. As one of the earliest commercial brands to embrace ACG culture, Joy City has taken ACG culture as a traffic password to build a trend gravity field with the label of "Joy City". In 2024, the total sales of the Group's ACG business format exceeded about RMB1.11 billion, with nearly 100 million "goods consumers" visiting Joy City to "eat goods". As of the end of 2024, the total number of ACG stores of Joy City in China was over 300, totally generating sales of about RMB860 million; among them, Shanghai Jing'an Joy City alone, relying on the ACG stores, achieved exceptionally high sales of over RMB180 million. Throughout the year, Joy City introduced over 240 IP flash mobs, totally generating sales of about RMB250 million. Among them, the national first stop of "chiikawa x MINISO themed flash mob" achieved total sales of RMB26.1 million in Shanghai Jing'an Joy City, setting a latest record for sales of a single IP. Through deep co-creation with fashion brands, games and animation IP copyright owners, Joy City gave full play to the advantages of physical spaces to create exquisite offline exclusive scenarios and circle activities. We responded to every friend loving ACG culture in the form of IP flash mob, exhibitions, VR interaction and brand co-branded zone, etc., and created an interesting, vibrant and emotionally focused commercial experience.

IV.

Leading the Trend: Embracing the Frenzy of Emotional Celebration

As a commercial space that resonates with the emotions of young people, Joy City continues to focus on the emotional core and needs of the youth, precisely connecting with young consumers through emotional marketing strategies. During the year, the Group's commercial property segment launched a national brand campaign – "Bravo! Young Magic (這一回，先「瘋」為敬)", and established a nationwide original IP matrix including "Joy Fans Hi New Festival", "Joy City Shopping Festival" and "Joy Joy So Red Festival" to strengthen the differentiation of youth culture and promote the dual enhancement of operating performance and brand reputation.

(The Offline Public Event of "Joy City 2024 National Brand Campaign")

Joy City has been launched 2024 national brand campaign since August, focusing on the core of "Xian Feng Youth (先Feng青年)", continuously releasing long images of Fengyun figures, Xian Feng city posters and Xian Feng youth attitude TVC, encouraging the youth to express themselves bravely and focus on themselves, and conveying the attitude of "Bravo! Young Magic". From 16 to 17 November, the offline public event took place in Xiamen, with the Xian Feng parade vehicle at Huangcuo Beach and the Xian Feng platform at Xiamen Joy City, attracting a number of young people to visit and discuss, making "Feng" go from online to offline, and revealing the profound insight of Joy City into young people's culture.

("Joy City Shopping Festival" Hot Scene)

From 15 to 17 September 2024, the 12th "Joy City Shopping Festival" was launched simultaneously across national commercial projects. Focusing on the theme of "Crazy Discountists", a series of creative marketing activities such as crazy play, crazy shopping and crazy eating activities were held nationwide, presenting more than 120 IP interactive exhibitions and more than 200 Joy shopping activities. At the same time, the Group collaborated with strategic resources such as Meituan group buying to achieve more than 120 crossover collaborations. During the event period, the total sales nationwide reached approximately RMB734 million, representing a year-on-year increase of 14.3%; the total footfall reached approximately 4.617 million, representing a year-on-year increase of 21.4%; and member spending nationwide accounted for approximately 44.3%, setting a new record for the Mid-Autumn Festival period.

From 21 December 2024 to 5 January 2025, the event of "Joy Joy So Red Festival" was held as scheduled at the turn of the year. With the theme of "Interesting & Chic Life Is Here (有趣生活，潮這看)", the Group combined the birthday month with the New Year's Eve celebrations to form a strong synergy, and together with strategic brands such as Alipay, Uniqlo, Belle, MUJI, Miniso and lululemon to create a "Super Brand Week", boosting the event's popularity. During the event period, the total sales nationwide reached approximately RMB2.221 billion, representing a year-on-year increase of 11.8%; the total footfall nationwide reached approximately 19.82 million, representing a year-on-year increase of 11.9%; and member spending nationwide accounted for approximately 39%, with the highest single-day member consumption accounted for 50%, marking a successful conclusion for Joy City brand in 2024.

(A Glimpse of "Joy Joy So Red Festival")

Conclusion

In 2024, adhering to the commercial pursuit of "Delivering the Beauty of a City with a City", the Group actively explored and operated steadily, recording a sales amount of RMB38.4 billion, representing a year-on-year increase of 16.4%, and total footfall of 350 million, representing a year-on-year increase of 20.7%. In the future, the Group will continue to deepen its extensive experience in the commercial real estate sector, consistently playing a leading role in the industry through brand strategy, refined operation, product innovation, scene creation, and ecosystem co-creation. It will steadily advance urban consumption upgrades with a commercial vision centered on leading the "youth" of cities, embracing the future with a trendy approach.

Management Discussion and Analysis

MARKET REVIEW

In 2024, China's national economy maintained a good momentum of recovery and growth, and its overall operation was stable. During the year, the state promptly introduced and deployed a package of incremental economic policies, effectively boosted social confidence and drove a significant economic recovery. The main objectives and tasks were completed successfully. In 2024, the GDP reached approximately RMB134.9 trillion, representing a growth of 5.0% over the previous year at constant prices. During the year, the policy of expanding domestic demand played an important role in stabilizing consumption, promoting economic growth and optimizing economic structure, and provided strong support for the sustained recovery and improvement of the economy. With the continuous manifestation of the effects of the policies, consumption scenarios continued to be enriched, residents' willingness to consume was improved, and the consumption structure was further optimized. During the year, the total retail sales of consumer goods nationwide amounted to RMB48.8 trillion, representing a year-on-year increase of 3.5%.

In terms of the real estate industry, in 2024, China's real estate industry as a whole showed a trend of adjustment. Under the effect of a series of easing policies in the second half of the year, the residential sales market has experienced positive changes, and market confidence has been gradually boosted since the fourth quarter. During the year, nationwide investment in real estate development amounted to approximately RMB10.03 trillion, representing a year-on-year decrease of 10.6%; among which, investment in commercial residential buildings amounted to approximately RMB7.6 trillion, representing a year-on-year decrease of 10.5%. In terms of market sales, during the year, the sales area of newly built commercial housing amounted to approximately 974 million sq.m., representing a year-on-year decrease of 12.9%, and the sales amounted to approximately RMB9.68 trillion, representing a year-on-year decrease of 17.1%. In terms of housing prices, throughout the year, the overall trend was "first low and then high". In the first three quarters, housing prices generally faced downward pressure. But after the central government clearly set the goal of "stopping the decline and recovering to a stable trend" on 26 September, policies were intensively introduced, market confidence gradually recovered, and there were positive changes in housing prices in the fourth quarter. In December 2024, the price index of newly built commercial residential buildings in 70 large-and medium-sized cities in China decreased by 5.7% year on year and decreased by 0.1% month on month, with the decline significantly narrowing compared to previous months.

In terms of commercial real estate, in 2024, China's commercial real estate market as a whole showed a trend of adjustment and transformation. During the year, both the number of newly opened commercial projects and the total volume of projects declined year on year. Approximately 430 commercial projects were newly opened nationwide, and a total volume of newly opened commercial projects amounted to approximately 34 million sq.m., representing a year-on-year decrease of 17.58% and 12.52% respectively as compared with 2023. With the change in the consumption model of residents, physical commercial operations faced significant challenges, particularly with a significant decline in sales at department stores and brand specialty stores. However, the demand for experiential consumption and community commerce has grown significantly and has become an important support for current commercial real estate. In the future, it is expected that commercial real estate will pay more attention to experiential consumption, creating an immersive shopping environment through unique space design and theme layout, enhancing enjoyment and memory points of the consumers. At the same time, the future development of commercial projects will more closely align with the trend preferences of young consumer groups and create new social scenarios. By developing space regions with social attributes and utilizing community economy to interact with content that young people enjoy, consumer loyalty to commercial projects will be strengthened, and shopping centers will be able to effectively expand their commercial influence and market competitiveness.

BUSINESS REVIEW

During the year, the Group gave full play to its strengths to ensure stable development of its four business segments, namely investment properties, property development, hotel operations, and output management and other services.

INVESTMENT PROPERTIES

In 2024, the commercial retail market exhibited a "rise first, then fall" trend. The market experienced a mild recovery in the first half of the year, with physical retail rents stabilizing; in the second half of the year, affected by the slowdown in the recovery of the consumer market in the third quarter, the occupancy rates and rental levels of commercial projects shifted from rising to declining. At the same time, residents' consumption demand has shifted, increasingly showing a preference for high cost-performance products, focusing on spiritual satisfaction, and the growth in demand for cultural and entertainment consumption as well as "trade-in" type consumer goods.

In response to changes in market conditions, the Group's shopping malls continuously strengthened commercial operations, conducted innovation of business strategies, led the way in consumption innovation, boosted brand strength, and achieved good performance in the sector of commercial shopping mall. In 2024, the Group continued to focus on enhancing its commercial operation capabilities, promoting the continuous upgrade and iteration of the products and formats of its leading commercial projects, and adhering to the concept of refined commercial operations. Through the methods such as online marketing and optimization of the membership system, we further enhanced customer loyalty and consumption frequency.

In addition, in response to changes in consumer preferences, the Group actively conducted innovation of its business strategies, solidified its position as the No. 1 brand of "young power", deepened the online and offline integration and co-creation to attract traffic, strengthened self-created events and thematic IPs, and continuously created consumer hotspots to further attract young customers to visit and shop. During the year, the Group successfully held original marketing events such as "Joy Joy So Red Festival" and "Hi, It's New Shopping Festival", and closely followed consumption hotspots and demands. We focused on hotspots such as ACG, national trend and the "she-economy" to conduct model innovation, output and reinforce the youthful brand of Joy City, and contribute to the dual growth in sales and customer traffic of commercial projects.

Moreover, the Group's commercial sector was honored with major industry awards such as "Top 10 China Real Estate Commercial Management Comprehensive Strength 2024", "China (International) Shopping Mall Jinding Award – 2024 Annual Commercial Real Estate Outstanding Enterprise" and the sixth place of "Top 100 Retail Commercial Real Estate Enterprises in terms of Comprehensive Strengths 2024", continuously consolidating and enhancing the brand strength of Joy City. During the year, the Group's shopping mall business achieved sales of approximately RMB38.4 billion, representing a year-on-year increase of 16.4%, and total footfall of 350 million, representing a year-on-year growth of 20.7%.

In terms of office building business, the office building market in key cities has remained at a bottom-building stage, with the "exchanging price for volume" approach being widely adopted across various regions to stabilize project occupancy rates, while demand for office leasing remains relatively weak. In 2024, the overall operation of the Group's office building business maintained stable, demonstrating strong market adaptability and innovation capability. In terms of office building operation and management, the project teams actively responded to market changes, focused on customer needs, continuously optimized services and enhanced operational efficiency.

Among them, by organizing special themed activities, the project of Beijing COFCO Plaza effectively facilitated the steady enhancement of brand influence of the project, with an average occupancy rate of 91% and the project received several awards such as "China Building Headquarters Economy Benchmark Project", "Landmark Office Building Jinxia Award 2024" and "Top 10 Office Building Brand Value in China 2024". The office building of Beijing Xidan Joy Center also performed excellently, and the occupancy rate reached 94% at the end of the year, exceeding the market level. During the year, the project was honored with the "China Real Estate Asset Enhancement Award of the 21st Annual Conference for 2024". Hong Kong COFCO Tower also achieved significant growth in its business operations in 2024, and the occupancy rate reached 87%, higher than the market average.

PROPERTY DEVELOPMENT

In response to the industry adjustment trend, the central government introduced a "package" of policies, making efforts from both supply and demand sides to stabilize the real estate market. Since the fourth quarter of 2024, the market has shown signs of stabilization and improvement.

Facing the continuously declining market environment, the Group insisted on strong marketing to ensure stable performance. During the year, we launched several marketing activities such as "JoyFans Festival (大悅寵粉節)", "Home Joy, Everything Flourishes (家悅萬事興)" and "ENJoy Life Festival (ENJoy生活節)", seized the recovery period of the real estate market to conduct the innovation of new media marketing, enhance customer confidence and facilitate the achievement of sales performance. During the year, the project of Hangzhou Luyue Langyun Mansion of the Group launched four times and sold out each time within 90 days, and over 10,000 groups of customers participated in online registration, realizing rapid de-stocking against the trend.

In terms of commercial residential buildings development, in response to higher requirements proposed by real estate policies and the market for developing "good houses", the Group implemented strong control over product capabilities to create high-quality commercial residential buildings. This involved reconstructing the management logic of residential products from aspects such as customer insights, innovative research and development, pre-positioned resource coordination, and strengthening implementation control. The Group continuously developed flagship products and enhanced residential product satisfaction through management measures such as "scenario-based model rooms", "all-dimensional real scene demonstration areas", and the "Sword Sharpening Action" for delivery quality.

HOTEL OPERATIONS

In 2024, the hotel industry was affected by the factors such as tightened demand, diversion of overseas travel destinations and downgrading of consumption, leading to significant pressure on hotel performance. The Group's hotels paid close attention to market dynamics, timely adjusted business strategies, actively explored customer sources and continuously enhanced refined management levels, achieving operating revenue of RMB870 million during the year. Meanwhile, in response to the downturn pressure of the market, the Group's hotel business enhanced customer satisfaction and product premium capabilities through refining customer needs and creating more consumption scenarios within the hotels leveraging on cross-industry cooperation. During the year, the Group's hotels received 66 honors: MGM Grand Sanya was awarded the "Preferred Hotel for Travel Destinations of The Best BANG Awards 2025"; The St. Regis Sanya Yalong Bay Resort was recognized in the "China Hotel List for Best Hotels of Condé Nast Traveler Readers' Choice Awards 2024"; Waldorf Astoria Beijing was honored as the "Selected Luxury Hotel of Enjoyable Travel Awards 2024", while the Chinese Restaurant of Waldorf Astoria Beijing was rated as one-star restaurant in the Michelin Guide for five consecutive years; Le Joy Hotel Beijing was awarded the "Best Lifestyle Hotel of the Year in CHA China Hotel Awards".

OUTPUT MANAGEMENT AND OTHER SERVICES

Currently, the financial pressure on the real estate industry is increasing, prompting more companies to shift towards a light asset model, reducing capital investment through output management and brand cooperation. The Group has long adhered to the development strategy of combining asset-light and asset-heavy operations, collaborating with quality property holders through management output to continuously expand its market share.

As of the end of 2024, the Group managed and operated 14 output management projects of shopping malls, including Tianjin Heping Joy City, Shanghai Parkside Joy City, Xi'an Joy City, Shaoxing Guojin Joy City, and Wuxi Jiangnan Joy City. The Group focused on core locations in first– and second-tier cities as well as potential areas in third– and fourth-tier cities to acquire quality resources, continuously enhancing brand influence and achieving good performance. Among them, Xi'an Joy City in 2024 achieved a cumulative sales revenue of approximately RMB1.88 billion. In terms of office buildings output management, the Group operated two output management projects, namely, Beijing Huijing Twin Towers and China Post Insurance Jiu'an Plaza. After its renovation, Beijing Huijing Twin Towers successfully attracted numerous Fortune Global 500 enterprises to settle in, creating a significant industrial agglomeration effect, and was awarded several industry awards such as "Top 10 China Office Building Brand Value 2024" and "Benchmark Project for Urban Renewal in China's Building Economy 2024" with its outstanding performance.

Management Discussion and Analysis

LAND BANK

In respect of land bank, the Group firmly focused on investment, strictly controlled investment quality, and maintained high investment standards. In terms of investment projects, the Group adhered to the principle of prioritizing efficiency and selecting the highest quality land plots only, continuously strengthening investment risk control, and ensuring the success rate of investments.

The Group acquired approximately 413,800 sq.m. of land bank in Hangzhou, Xi'an and Sanya through the open market, mergers and acquisitions during the year.

Name of land lot	Location	Site area (sq.m.)	Floor area (sq.m.)	Project type	Effective shareholding percentage
The lot of residential land situated at Qiantang Bay Headquarters, Century City, Xiaoshan District, Hangzhou	Xiaoshan District, Hangzhou	70,843	191,276	Residential	30.2%
The lot of land CA01-5-40 situated in Chang'an District, Xi'an	Chang'an District, Xi'an	48,650	160,544	Residential, commercial	51%
The lot of land DA02-19-02 situated in Central Business District, Yingbin Road, Sanya	Jiyang District, Sanya	20,058	61,987	Residential mixed food and beverage areas	68.15%

FINANCIAL REVIEW

Overall Performance Review

For the year ended 31 December 2024, the Group's revenue was RMB19,831.0 million (2023: RMB13,272.1 million). Overall gross profit margin was approximately 28.4%, representing a decrease of 14 percentage points as compared with 42.5% for the previous year, mainly due to a greater portion of revenue from sales-type revenue for the year, which decreased the overall gross profit margin.

During the year, the Group recorded profit for the year of approximately RMB783.2 million (2023: RMB1,419.6 million), representing a year-on-year decrease of 44.8%, of which the loss attributable to the owners of the Company amounted to approximately RMB293.8 million (2023: a profit of RMB340.0 million), mainly due to the impacts of the settlement and development cycle of several cooperative property development projects of the Group, resulting in a decrease in the share of profits of associates and joint ventures compared to 2023 financial year; and a gain before tax from the disposal of subsidiaries of the Company in 2023 while a year-on-year decrease in the related income during the reporting period. Excluding the after-tax fair value losses on investment properties attributable to owners of the Company and the net exchange gains attributable to owners of the Company, adding after-tax fair value gains on investment properties realised from disposal of subsidiaries attributable to the owners of the Company, the core net profit attributable to owners of the Company (non-HKFRSs) was approximately RMB846.2 million (2023: RMB991.3 million). The core net profit attributable to owners of the Company would be a meaningful measure of the Group's financial performance as it makes adjustments to reflect the relevant economic interest attributable to owners of the Company and the actual economic impact borne by the Group. Although such financial measure is commonly used by property developers and holding companies in commercial properties in the PRC and therefore useful for comparison purposes, the basis may or may not be the same as there is no standard meaning for a non-HKFRS measure.

Business Review on Investment Properties

During the year, the total rental income from investment properties and related services income was approximately RMB4,176.2 million, representing a decrease of 4.2% as compared with RMB4,359.3 million in the previous year. The gross profit margin of the investment properties was 76%, representing a year-on-year decrease of 1 percentage point. Shopping malls, office buildings and other income accounted for 88%, 10% and 2%, respectively.

The Group's shopping malls recorded sales of approximately RMB38.4 billion, representing a year-on-year increase of 16.4%, and rental income of RMB3,023.0 million, representing an increase of 1% as compared with RMB2,997.7 million in the previous year.

The Group's office building business recorded rental income of approximately RMB360.0 million during the year.

Item	For the year ended 31 December **2024** **RMB million**	 2023 RMB million
(Loss)/Profit for the year attributable to owners of the Company	**(293.8)**	340.0
Excluding:		
After-tax fair value (losses)/gains on investment properties*	**(227.6)**	66.3
Exchange gains, net**	**60.2**	122.2
	(167.4)	188.5
Adding:		
After-tax fair value gains on investment properties realised from the disposal of subsidiaries***	**972.6**	839.8
Core net profit attributable to owners of the Company (non-HKFRSs)	**846.2**	991.3

* The amount is calculated based on the fair value (losses)/gains on investment properties for the relevant subsidiaries less related deferred income tax and the Group's proportion of equity interest(s) in the respective subsidiaries.

** The amount is calculated based on the net exchange gains for the relevant subsidiaries and the Group's proportion of equity interest(s) in the respective subsidiaries.

*** The adjustments related to the gain on disposal of subsidiaries as comprised in other gains and losses, net.

Management Discussion and Analysis

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2024:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	597.5	95
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	678.5	92
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	452.7	98
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	241.2	96
Shenyang Joy City Shopping Mall	Shenyang	Retail	269.1	97
Yantai Joy City Shopping Mall	Yantai	Retail	69.3	93
Chengdu Joy City Shopping Mall**	Chengdu	Retail	190.7	99
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	158.8	94
Suzhou Joy City Shopping Mall	Suzhou	Retail	151.4	96
Chongqing Joy City Shopping Mall	Chongqing	Retail	10.2	87
Wuhan Joy City Shopping Mall	Wuhan	Retail	119.1	96
Chengdu Tianfu Joy City Shopping Mall*	Chengdu	Retail	52.9	98
Xiamen Joy City Shopping Mall*	Xiamen	Retail	10.8	97
Sanya Joy City Shopping Mall*	Sanya	Retail	20.8	100
Beijing Xidan Joy Center***	Beijing	Office	38.8	94
Beijing COFCO Plaza Offices	Beijing	Office and Retail	256.7	88
Hong Kong COFCO Tower	Hong Kong	Office and Retail	64.5	87
Total			3,383.0	

*: Xiamen Joy City opened in September 2024, Sanya Joy City opened in October 2024 and Chengdu Tianfu Joy City opened in December 2023.

**: The financial results of Chengdu Joy City ceased to be incorporated into the Group's financial statements after 10 September 2024.

***: "Beijing Xidan Joy City Offices" was renamed as "Beijing Xidan Joy Center".

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2023:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	607.0	98
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	665.0	97
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	461.4	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	201.2	95
Shenyang Joy City Shopping Mall	Shenyang	Retail	256.7	98
Yantai Joy City Shopping Mall	Yantai	Retail	76.7	97
Chengdu Joy City Shopping Mall	Chengdu	Retail	322.7	98
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	152.5	97
Suzhou Joy City Shopping Mall	Suzhou	Retail	137.1	98
Chongqing Joy City Shopping Mall	Chongqing	Retail	15.8	90
Wuhan Joy City Shopping Mall	Wuhan	Retail	101.5	97
Beijing Xidan Joy City Offices	Beijing	Office	39.5	85
Beijing COFCO Plaza Offices	Beijing	Office and Retail	277.8	91
Hong Kong COFCO Tower	Hong Kong	Office and Retail	58.2	84
COFCO • Landmark Tower*	Beijing	Office and Retail	137.9	86
Fraser Suites Top Glory Shanghai*	Shanghai	Serviced apartment	124.4	91
Total			3,635.4	

* As of the end of 2023, the sales of the entire equity interests of the Group's subsidiaries holding COFCO • Landmark Tower and Fraser Suites Top Glory Shanghai were completed.

Business Review on Property Development

During the year, the Group's operating revenue from the property development segment was RMB14,544.9 million, representing an increase of 88.8% from RMB7,705.4 million in the previous year. The settlement area of properties delivered was 604,119 sq.m., representing an increase of approximately 42% as compared to the previous year. The unit settlement price was RMB23,723 per sq.m., representing an increase of approximately 38% as compared to the previous year. The gross profit margin of the property development segment was 14%, representing a decrease of 10 percentage points as compared to the previous year.

Impairment on properties held for sale under development was RMB686.2 million during the year, mainly due to increased downturn pressures on the real estate market, with projects such as Jinan Joy City, Nanjing OPUS Jiuzhang showing indicators of impairment.

The Group's contracted sales for the year increased by 13.6% year on year to approximately RMB20,548.2 million. Contracted sales area was 705,416.8 sq.m., representing a year-on-year decrease of 2.7%. The average unit selling price was RMB29,129 per sq.m., representing a year-on-year increase of 17%.

As of the year of 2024, the contracted sales amount and contracted sales area of each region achieved by the Group are as follows:

Region*	Contracted sales amount		Contracted sales area	
	2024 (RMB million)	2023 (RMB million)	**2024 (sq.m.)**	2023 (sq.m.)
Northern China	**3,766.7**	5,989.4	**215,215.7**	279,370.9
Eastern China	**12,069.0**	5,934.8	**320,674.9**	185,268.4
Southern China	**2,427.2**	2,980.0	**79,611.1**	86,416.8
Southwest China	**2,285.3**	3,181.8	**89,915.1**	173,572.5
Total	**20,548.2**	18,086.0	**705,416.8**	724,628.6

* During the year, Northeast China, Northwest China and Shandong area of Nanjing combined into Northern China, collectively referred to as Northern China. Zhejiang and Nanjing area of Nanjing combined into Eastern China, collectively referred to as Eastern China. Hainan and Changsha in Central China combined into Southern China, collectively referred to as Southern China. Wuhan in Central China combined into Southwest China, collectively referred to as Southwest China.

Business Review on Hotel Operations

In 2024, the hotel operations recorded operating revenue of approximately RMB868.8 million, representing a year-on-year decrease of 10.4%; and the average occupancy rate was 80.6%.

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2024:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	**71**	**1,257**	**1,791**
MGM Grand Sanya	Sanya	Resort	**91**	**1,114**	**1,231**
Waldorf Astoria Beijing	Beijing	Business Inn	**70**	**1,820**	**2,638**
Le Joy Hotel Beijing	Beijing	Hotel	**77**	**593**	**767**

* Cactus Resort Sanya by Gloria has temporarily suspended operations due to outdated assets, and its subsequent asset updates will be carried out.

Management Discussion and Analysis

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2023:

Project	City	Use/intended use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	68	1,446	2,131
MGM Grand Sanya	Sanya	Resort	83	1,330	1,595
Cactus Resort Sanya by Gloria	Sanya	Resort	47	125	270
Waldorf Astoria Beijing	Beijing	Business Inn	70	1,727	2,458
Le Joy Hotel Beijing	Beijing	Hotel	91	632	693

Business Review on Output Management

During the year, the total revenue from output management was approximately RMB175.6 million, representing a year-on-year increase of 3.6%.

Other Gain and Losses, net

In 2024, the Group's other gains and losses, net amounted to a gain of approximately RMB140.6 million (2023: RMB867.1 million), representing a year-on-year decrease of RMB726.5 million, mainly due to the pre-tax gain realised from the disposal of subsidiaries in 2023, with related gains decreasing year-on-year.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

In 2024, the Group's impairment losses under expected credit loss model, net of reversal, amounted to approximately RMB462.3 million (2023: RMB974.3 million), representing a year-on-year decrease of RMB512.0 million.

Share of Profits of Associates and Joint Ventures

In 2024, the Group's share of profits of associates and joint ventures amounted to RMB232.1 million in total (2023: RMB920.1 million), representing a year-on-year decrease of RMB688.0 million, mainly due to the impact of settlement and development cycle of several cooperative properties and development projects.

Income Tax Expense

Income tax expense comprises PRC enterprise income tax, land appreciation tax, dividend withholding tax and Hong Kong profits tax. The Group's tax expenses was RMB1,760.8 million (2023: RMB2,243.4 million), representing a year-on-year decrease of RMB482.6 million.

Financial Position

Interest-bearing borrowings and net debt to total equity ratio

Item	As at 31 December	
	2024	2023
	(RMB'000)	(RMB'000)
Bank borrowings (current and non-current)	**29,837,415**	25,549,907
Corporate bonds	**4,079,710**	4,084,553
Borrowings from fellow subsidiaries, associates, joint ventures and third parties (current and non-current)	**10,255,619**	14,661,091
Total interest-bearing borrowings*	**44,172,744**	44,295,551
Less: Cash and bank balances	**19,120,129**	19,432,196
Restricted and pledged bank deposits	**68,154**	48,594
Net debt	**24,984,461**	24,814,761
Total equity	**55,397,276**	56,437,328
Net debt to total equity ratio**	**45.1%**	44.0%

*: Total interest-bearing borrowings include bank borrowings, borrowings from fellow subsidiaries, associates, joint ventures and third parties and corporate bonds.

**: The net debt to total equity ratio is calculated as net debt divided by total equity, in which the net debt is calculated as total interest-bearing borrowings less cash and bank balances, and restricted and pledged bank deposits.

As at 31 December 2024, the total interest-bearing borrowings amounted to approximately RMB44,172.7 million, representing a decrease of 0.3% from RMB44,295.6 million as at 31 December 2023. The net debt to total equity ratio was approximately 45.1%, representing an increase of 1.1 percentage points as compared to 44.0% as at 31 December 2023. Among the interest-bearing borrowings, approximately 80% were denominated in RMB while approximately 20% were denominated in HKD and USD.

Of the interest-bearing borrowings, approximately RMB16,689.8 million bore interest at fixed rates and the rest were floating rate borrowings. As at 31 December 2024, fixed rate borrowings accounted for 38% of the total interest-bearing borrowings (31 December 2023: 43%).

The Group is committed to optimizing its capital structure and reducing financing costs. COFCO Commercial Property Investment Co., Ltd., a non-wholly owned subsidiary of the Company, issued unsecured corporate bonds of RMB700 million on the Shenzhen Stock Exchange in January 2024 with a term of 3 + 2 years and a coupon interest rate of 3.13%, and with options for the issuer to adjust the coupon rate and bondholders to sell back the bonds at the end of the third year.

In 2024, the Company maintained good relationships with banks and actively broadened financing channels to optimize its financing structure. Despite the US dollars interest remains high, the average financing cost stood at 4.10%, representing a year-on-year decrease of 0.39 percentage point.

Management Discussion and Analysis

Bank Borrowings

Bank borrowings amounted to RMB29,837.4 million as at 31 December 2024, representing a year on year increase of 16.8%, of which variable-rate bank borrowings accounted for 91%.

Analysis on the Group's bank borrowings is as follows:

Item	**As at 31 December**	
	2024	2023
	(RMB'000)	(RMB'000)
Carrying amount repayable:		
Within one year	**4,465,332**	7,202,336
In the second year	**5,177,466**	3,912,803
In the third to fifth year (inclusive)	**15,898,346**	12,547,678
Over five years	**4,296,271**	1,887,090
Total	**29,837,415**	25,549,907

Bank borrowings of approximately RMB4,465.3 million are repayable within one year and are shown as current liabilities. All the Group's borrowings are denominated in RMB, HKD and USD. There is no material seasonal impact on the Group's needs for borrowings.

As at 31 December 2024, the Group had banking facilities of RMB61,388 million, of which unused facilities amounted to RMB22,252 million, all denominated in RMB, HKD and USD, indicating that Group had adequate access to financing and sufficient credit facilities.

Contingent Liabilities

As at 31 December 2024, details of the Group's contingent liabilities and non-compliance issues are set out in Note 38 to the consolidated financial statements. The Directors of the Company believe that, based on the reasons and circumstances of those non-compliances and the PRC legal advice received, the Group is less likely to be subject to any fine, penalty or demolishment or confiscation, and accordingly, no provision has been made in the consolidated financial statements.

KEY RISKS

Market Risk

Since 2024, the policy environment of the real estate industry has generally tended to be relaxed, but real estate enterprises have continued to be under pressure in terms of repayment and financing, which has led to increased liquidity risk. In the face of the risks brought by industry fluctuations, the Group has always adhered to the management and control principle of prioritizing cash flow security. The Group has accelerated marketing turnover to ensure capital return on the business side, improved the financing protection on the financial side by seizing the policy window to raise development funds, and simultaneously strengthened the cost control to strictly maintain liquidity safety.

Business Risk

During the year, the overall consumption market showed a recovery trend, but effective domestic demand remained insufficient. The Group's investment property shopping mall projects were affected by above factors, resulting in fluctuations in rental income, with the average occupancy rate of the shopping malls in June 2024 being approximately 94%. To accelerate the increase in occupancy rate, the Group promptly established an occupancy rate correction mechanism, strengthening occupancy rate management through the implementation of monthly monitoring, progress scheduling, and project scheduling. Meanwhile, the Group adhered to the principle of tiered and classified management, and leading projects have formulated strategies to maintain high occupancy rates and enhance brand position. By introducing exclusive or flagship brands and utilizing big data to optimize the consumer experience, the uniqueness and appeal of the projects are further enhanced. For projects in the growth phase, the Group has flexibly adjusted its investment strategy to meet the market demand, intensified marketing efforts to enhance the popularity of the projects, enriched the business portfolios of shopping malls, and attracted diversified consumer groups to achieve vacancy reduction. In response to the increased risk of pressure on rent collection in shopping malls, the Group has formulated a rent collection and enhancement plan, and strengthened project operation control by arranging a monthly rent shortfall reduction plan to achieve a rent collection rate of 99.6% during the year. Furthermore, in terms of commercial membership management, the proportion of membership sales in commercial shopping malls showed weak growth in 2024, and the attractiveness of membership activities in shopping malls has also declined. In response to this situation, the Group has proposed a series of improvement measures for membership management. By strengthening member data analysis, focusing on high-net-worth members, implementing tiered and categorized management, and enhancing the richness of member reward points and gifts, the Group continuously improved member satisfaction in commercial shopping malls, thereby better supporting the growth of member sales.

Interest Rate Risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings. During periods of rising interest rates, the financing costs of variable-rate bank borrowings will increase accordingly. The Group's policies are to reduce the interest rates by negotiating the terms of the interest-bearing borrowings, and explore direct financing at low interest rates such as the issuance of corporate bonds to replace the borrowings at high interest rates. In addition, when there is an interest rate advantage in domestic operating property loans, the Group will reasonably replace other high-interest financing to reduce interest expenses. For overseas variable-rate borrowings, the Group maintains a reasonable proportion and tries to reduce the risk of interest fluctuation with interest rate swap.

Foreign Exchange Risk

The daily transaction currency for the principal business operations of the Group is Renminbi. Save for certain bank deposits, bank and other borrowings denominated in foreign currencies, the Group is not exposed to any material risk directly arising from the volatility of exchange rate. Deposits and bank loans denominated in foreign currencies require exchange rate revaluation on the balance sheet date, thereby generating foreign exchange gain or loss risk. The Group will pay close attention to the change of financial environment. As for the exchange rate risk caused by the fluctuation of RMB exchange rate, the Group locks such risks through forward contracts and other instruments. At the same time, the Group will comprehensively consider the cost of domestic and overseas financing and exchange rate risks to reasonably arrange the proportion of overseas financing.

EMPLOYEES AND REMUNERATION POLICIES

The Group attaches great importance to the selection, employment, training and retainment of talents. While sticking to equal employment and optimizing its remuneration and incentive mechanisms, the Group diversifies recruitment channels and protects rights and interests of employees. Thus the Group is able to attract and establish a lean, competent and highly efficient staff team, promote the common development of enterprise and employees, and provide talent support for the Group's strategic goals. As of 31 December 2024, the Group had a total of 3,524 employees.

Aiming to maintain the "high efficiency and competitive incentives", the Group has established a sound remuneration and incentive system. The Group has also built a harmonious and consistent labor relationship with its staff by providing competitive salaries and comprehensive benefits including pension insurance, medical insurance, maternity insurance, work-related injury insurance, unemployment insurance, housing provident fund, commercial health insurance, accident insurance and corporate annuity plan.

Upholding the training concept of "learning for application", the Group systematically planned and coordinated the layout, focused on the development of talents and reserved talents at all levels of key positions, focused on the improvement of business capabilities, established a tiered and classified talent training system, and created a sufficient quantity and quality of talent supply chain for the Group, so as to support the achievement of strategic goals. At present, the Group has established core training projects, including "Core Team Training Camp", "Golden Helmsman", "Golden Seed", "Class 3040", "Sword Casting Plan", "New Joy Training Camp", "Future Star Training Camp" and "Joy Seminar" and so on. It explores the internal courses of the Group, and revitalizes internal training resources by establishing a professional and systematic internal training lecturer team and improving online learning systems.

The Group has built a mature career development system. Through internal recruitment, rotation training and basic training of young beginners and other forms, the Group facilitates internal talents exchange and the talent transfer and promotion, which provides a clear development path for employees.

The employees of the Group's subsidiaries which operate in the mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. Further, the Group's principal retirement benefits scheme available to its Hong Kong employees, namely the Mandatory Provident Fund, is also a defined contribution scheme which is administered by independent trustees. The Group is required to contribute to the Mandatory Provident Fund based on a certain percentage of its employees' salaries. The contributions made by the Group to the defined contribution schemes above are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution schemes. The only obligation of the Group with respect to such defined contribution schemes is to make the specified contributions. There was no forfeited contributions under the defined contribution schemes above. Accordingly, there was no forfeited contribution used by the Group or available for the Group to reduce its existing level of contributions during the year.

The Group strictly complies with the management policies under the relevant international and national standards, rules and regulations, or those of the places where it operates in respect of child labor or forced labor prevention. We have developed necessary procedures of information collection and approval of recruitment of staff to ensure labor standards are implemented and executed. We employ our employees in accordance with laws, prevent employment discrimination, and eradicate the use of child labor and forced labor; whereas we provide those such as the disabled, ethnic minorities and veterans with employment opportunities and achieve "equal pay for equal work for both men and women". During the year, there was no violation by the Group of international or national standards, rules and regulations, or those of the places where the operations of the Group were located in respect of child labor and forced labor.

OUTLOOK

Looking forward to 2025, it is expected that the state will further intensify the efforts of macro policies, focus on expanding domestic demand and fully stimulate residents' consumption potential. On the one hand, the state will promote the improvement and expansion of service consumption, and facilitate the integration of diverse consumption sector to achieve high-quality development; on the other hand, at the local level, local governments will expand new types of consumption and digital consumption through adopting a series of measures such as fostering "international consumption centers", enhancing the quality of commercial districts, and creating new consumption scenes. Local governments will also strengthen the construction of consumption infrastructure, improve the quality of consumer services to continuously expand domestic demand and stimulate consumption growth. In the future, the Group will focus on the strategic positioning of "an outstanding service provider of urban operation and better life", closely monitor new consumer trends, grasp the new trends of young consumers, fully leverage local consumption promotion policies, capitalize on the advantages of commercial projects to enhance brand influence and commercial competitiveness, thereby achieving favorable operating results with all our strength.

Directors and Senior Management

The following sets out the profile of the Directors and senior management of the Company as at the date of this Annual Report:

DIRECTORS

Mr. YAO Changlin	*Chairman and Executive Director*
Mr. CHEN Lang	*Non-executive Director*
Mr. ZHANG Hongfei	*Non-executive Director*
Ms. DONG Baoyun	*Non-executive Director*
Mr. ZHANG Mingrui	*Non-executive Director*
Mr. WU Lipeng	*Non-executive Director*
Mr. LAU Hon Chuen, Ambrose, *GBS, JP*	*Independent Non-executive Director*
Mr. LAM Kin Ming, Lawrence	*Independent Non-executive Director*
Mr. CHAN Fan Shing	*Independent Non-executive Director*

Mr. YAO Changlin, aged 57, has been the Executive Director and the General Manager since 11 December 2023 and the Chairman of the Board since 28 June 2024. He is the chairman of the Nomination Committee, a member of each of the Remuneration Committee and the Executive Committee and an authorised representative of the Company as required under Rule 3.05 of the Listing Rules. Mr. YAO was a deputy general manager of the Company since December 2013 until December 2023. He is also a director of several subsidiaries of the Company.

Mr. YAO joined COFCO Group in March 1993 and has since assumed various positions within the COFCO Group. He is currently the chairman of the board, the general manager and a director of Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司) (stock code: 000031) ("**Grandjoy Holdings Group**"), a company listed on the Shenzhen Stock Exchange. He served as a deputy general manager of Grandjoy Holdings Group since April 2019 until December 2023. Mr. YAO has been with the COFCO Group for over 30 years and has extensive experience in property investment, business management, accounting, legal and compliance matters.

Mr. YAO holds a Bachelor degree in Economics from Anhui University of Finance and Economics in the PRC and an Executive Master of Business Administration degree from Cheung Kong Graduate School of Business in the PRC.

Mr. CHEN Lang, aged 59, has been a Non-executive Director since 30 September 2022. Mr. CHEN was the Chairman of the Board and the chairman of the Nomination Committee and an authorised representative of the Company as required under Rule 3.05 of the Listing Rules from 30 September 2022 to 28 June 2024.

Mr. CHEN joined COFCO Corporation in April 2019 and had served as a deputy general manager of COFCO Corporation until February 2024. Mr. CHEN is currently a director of Grandjoy Holdings Group Co., Ltd.*（大悅城控股集團股份有限公司）(stock code: 000031), a company listed on the Shenzhen Stock Exchange and was the chairman of the board from October 2022 to June 2024. He was a non-executive director and chairman of the board of China Mengniu Dairy Company Limited (stock code: 2319) from April 2019 to May 2024, a non-executive director and chairman of the board of China Foods Limited (stock code: 506) from April 2019 to September 2022, both companies listed on the main board of the Stock Exchange. Prior to joining COFCO Corporation, Mr. CHEN had served as an Executive Vice President of China Resources (Holdings) Company Limited until April 2019. At the same time, he served as the chairman and general manager of China Resources Development & Investment Co., Ltd., the chairman of China Resources Vanguard Co., Ltd., the chairman of China Resources Snow Breweries (China) Investment Co., Ltd., the chairman of China Resources Ng Fung Co., Ltd., and the chairman of China Resources C'estbon Beverage (China) Investment Co., Ltd., and vice-chairman and chief executive officer of China Resources Logic Limited (now renamed as China Resources Gas Group Limited). Mr. CHEN was a vice chairman of the board of directors and a member of strategy committee of Shanxi Xinghuacun Fen Wine Factory Co., Limited*（山西杏花村汾酒廠股份有限公司）, a company listed on the Shanghai Stock Exchange, until June 2019; an executive director and the chairman of the board of directors of China Resources Beer (Holdings) Company Limited (stock code: 291), a company listed on the main board of the Stock Exchange, until July 2019.

Mr. CHEN holds a Bachelor degree in Economics from Anhui University and a Master degree in Business Administration from University of San Francisco in the United States.

Mr. ZHANG Hongfei, aged 50, has been a Non-executive Director since 28 June 2024.

Mr. ZHANG joined COFCO Group in February 2009 and is currently the director of the legal compliance department of COFCO Corporation. He has been a director of Grandjoy Holdings Group Co., Ltd.*（大悅城控股集團股份有限公司）(stock code: 000031), a company listed on the Shenzhen Stock Exchange, with effect from June 2024. He is currently a director of COFCO Biotechnology Co., Ltd.,*（中糧生物科技股份有限公司）(stock code: 000930), a company listed on the Shenzhen Stock Exchange, and was the chairman of the board between January 2024 and April 2024. Mr. ZHANG was the general counsel and the secretary to the board of Chinatex Corporation Limited（中國中紡集團有限公司）, the deputy general manager, a member of the party committee, a director, the general manager, the deputy secretary of the party committee and the general counsel of COFCO Trading Company Limited*（中糧貿易有限公司）and a supervisor of China Enterprise United Grain Reserve Company Ltd.*（中企聯合糧食儲備有限公司）. All of the aforementioned companies are either subsidiaries or associated companies of the COFCO Group.

Mr. ZHANG holds a Bachelor degree in International Economic Law from China University of Political Science and Law, a Master degree in Law and a Master degree in Business Administration from Tsinghua University.

Directors and Senior Management

Ms. DONG Baoyun, aged 42, has been a Non-executive Director since 20 December 2024.

Ms. DONG joined COFCO Group in June 2007 and is currently the director of the finance department of COFCO Corporation. She has been appointed as the vice chairman of the Supervisory Board of Grandjoy Holdings Group Co., Ltd.*（大悦城控股集團股份有限公司）(stock code: 000031), a company listed on the Shenzhen Stock Exchange, since August 2021. Prior to her current roles, Ms. DONG has successively held positions as the assistant general manager, deputy general manager, and general manager of the finance department of China Agri-Industries Holdings Limited*（中國糧油控股有限公司）, general manager of the listed company management department of COFCO Oils & Oilseeds*（中糧油脂）, general manager of the capital management department of the finance department of COFCO Group, deputy director of the strategic department and general manager of the second operation management department of COFCO Group, and deputy director of the finance department of COFCO Group.

Ms. DONG holds a Master's degree in Management from Nankai University.

Mr. ZHANG Mingrui, aged 43, has been a Non-executive Director since 28 June 2024.

Mr. ZHANG joined COFCO Group in 2010 and successively served as an assistant to the general manager of the training centre of the general office of COFCO Corporation, an assistant to the general manager and the deputy general manager of the talent development department (later renamed as high-level management department) of the human resources department, the deputy general manager of the training department (in charge of work), and the general manager of the employee relations department of COFCO Corporation, the general manager of the human resources department of COFCO Coca-Cola Beverages Limited, an assistant to the director (assistant minister) of the human resources department (organization department of the party group) and the general manager of the high-level management department of COFCO Corporation, and the deputy director (deputy minister) of the human resources department (organization department of the party group) of COFCO Corporation. Mr. ZHANG has been a director of Grandjoy Holdings Group Co., Ltd.*（大悦城控股集團股份有限公司）(stock code: 000031), a company listed on the Shenzhen Stock Exchange, since June 2024 and the designated deputy secretary of the party committee since March 2024.

Mr. ZHANG holds a Doctorate degree in Management majoring in Human Resources Management from Renmin University of China.

Mr. WU Lipeng, aged 45, has been a Non-executive Director since 28 June 2024 and the chief financial officer of the Company since July 2021. He is also a director of several subsidiaries of the Company.

Mr. WU joined COFCO Group in 2002 and has since assumed various positions within the COFCO Group. Mr. WU has been a director of Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司) (stock code: 000031), a company listed on the Shenzhen Stock Exchange, since June 2024 and the chief accountant (Head of the Finance Department) since August 2021. In addition, Mr. WU has been a director of COFCO Finance Company Limited* (中糧財務有限公司) since December 2017. Prior to his current roles, Mr. WU had been the general manager assistant and the deputy general manager of finance department (accounting management), the general manager of finance department (taxation and assets management) of COFCO Corporation, and the deputy director of finance department and the general manager of capital management department of COFCO Corporation.

Mr. WU holds a Bachelor degree in Management majoring in Accounting from Central University of Finance and Economics, a Master degree in Business Administration from University of South Australia. He is a senior accountant in the PRC, a certified tax accountant and certified management accountant (CMA) in the United States.

Mr. LAU Hon Chuen, **Ambrose**, *GBS, JP*, aged 77, has been an Independent Non-executive Director since 2 August 1995. He is also the chairman of each of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee.

The table below sets out Mr. LAU's directorships in a number of companies listed on the Main Board of the Stock Exchange:

Name of the listed companies	Stock code	Position
Glorious Sun Enterprises Limited	00393	independent non-executive director
Yuexiu Transport Infrastructure Limited	01052	independent non-executive director
Yuexiu Property Company Limited	00123	independent non-executive director

Mr. LAU is also a director of Bank of China Group Insurance Company Limited, BOC Group Life Assurance Company Limited, Nanyang Commercial Bank, Limited, Cinda Financial Holdings Co., Limited, Sun Hon Investment and Finance Limited, Wydoff Limited, Wytex Limited, Helicoin Limited, Wyman Investments Limited, Trillions Profit Nominee & Secretarial Services Limited and Polex Limited. He served as the chairman of the Central and Western District Board from 1988 to 1994, the president of the Law Society of Hong Kong from 1992 to 1993, a member of the Bilingual Laws Advisory Committee from 1988 to 1997 and a member of the Legislative Council of Hong Kong from 1995 to 2004 (from 1997 to 1998, he was a member of the Provisional Legislative Council). He has served as a Standing Committee member of the 10th, 11th, and 12th National Committee of the Chinese People's Political Consultative Conference.

Mr. LAU obtained a Bachelor of Laws Degree from University of London in 1969. He is a Solicitor of the High Court of Hong Kong, a China-Appointed Attesting Officer and a Notary Public. He is the senior partner of Messrs. Chu & Lau, Solicitors & Notaries.

Directors and Senior Management

Mr. LAM Kin Ming, Lawrence, aged 69, has been an Independent Non-executive Director since 21 September 2004. He is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. LAM was the senior vice president of the Enterprise Solutions Commercial Group of HKT Trust and HKT Limited (stock code: 6823), a company listed on the main board of the Stock Exchange and a member of the PCCW group.

Mr. LAM graduated from the University of Toronto with a Bachelor's degree in Commerce in September 1978.

Mr. CHAN Fan Shing, aged 48, has been an Independent Non-executive Director since 10 February 2020. He is also a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. CHAN has extensive experience in auditing, accounting and financial management. Mr. CHAN has been an independent non-executive director of Gaush Meditech Limited (stock code: 2407) since November 2022, a company listed on the main board of the Stock Exchange. In addition, Mr. CHAN was an independent non-executive director of Trigiant Group Limited (stock code: 1300) ("**TGL**") from September 2018 to January 2024, and as an executive director of Tycoon Group Holdings Limited (stock code: 3390) ("**TGHL**") from October 2018 to August 2020 and a director of Tycoon Asia Pacific Group Limited. Both TGL and TGHL are companies listed on the main board of the Stock Exchange. From September 2009 to March 2016, Mr. CHAN held the positions of the company secretary, financial controller and authorized representative at CPMC Holdings Limited (stock code: 906) ("**CPMC**"), the shares of which are listed on the main board of the Stock Exchange. Prior to joining CPMC, Mr. CHAN has worked as senior management in various Hong Kong listed companies and as auditor in international audit firms.

Mr. CHAN obtained a Bachelor's degree in Business Accounting from University of Glamorgan (currently known as University of South Wales), United Kingdom in June 1999 and a Master's degree in Professional Accounting from The Hong Kong Polytechnic University in October 2008. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the CPA Australia, and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada.

Corporate Governance Report

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

The Company is dedicated to upholding a robust corporate governance framework that prioritizes the principles of transparency, accountability, and independence. This commitment is aimed at safeguarding the interests of the Shareholders and enhancing the overall performance of the Group. The Board of Directors regularly monitors, evaluates, and enhances the Company's corporate governance practices to ensure compliance with relevant rules, regulations, codes, and standards.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2024, the Company has applied the principles and complied with all applicable code provisions and certain recommended best practices of the CG Code, with the exception of the same individual has held the positions of Chairman and the General Manager since 28 June 2024. A detailed explanation for the deviation from Code C.2.1 is outlined in the section titled "Chairman and General Manager" of this report.

CORPORATE VISION, MISSION AND CULTURE

The Board guides management by defining vision, mission, values, and strategy. It ensures alignment with the corporate culture of the Group. The Company's vision is to maximize benefits for customers, Shareholders, and staff. It is dedicated to contributing quality green living spaces and leading a fashionable lifestyle. The goal is to become a leader among real estate brands in the PRC with greatest sustainable development potential. The Group follows a prudent business approach and adhered to the "dual-wheel and dual-core" development model, leveraging operational and management experience for stable performance.

Under the Board's leadership, the Company instils and reinforces its vision, missions, strategy, and culture in all employees. These are integrated into day-to-day operations. The Company is committed to lawful, ethical, and responsible business practices. Channels are in place to communicate desired culture and behaviours to employees. The intra-group platform serves as a key channel for communicating corporate policies, company news, and staff events. It helps to promote and embrace our core values. The Group also regularly arranges staff training on leadership, compliance, industry knowledge, and personal capabilities. This develops essential skills to embed our core values across the business.

Information on the Company's performance and the basis on which the Company generates value over the longer term and the strategy for delivering the above vision and missions are set out in the Chairman's Statement and the Management Discussion and Analysis sections of this Annual Report and the ESG Report 2024.

Corporate Governance Report

BOARD OF DIRECTORS

The Composition

As of the date of this report, the Board comprises nine Directors, which includes the Chairman and the Executive Director, five Non-executive Directors (following the resignation of Mr. MA Dewei effective 27 March 2024, the resignations of Mr. LIU Yun and Mr. ZHU Laibin on 28 June 2024 and the appointments of Mr. ZHANG Hongfei, Mr. ZHANG Mingrui and Mr. WU Lipeng to the Board on 28 June 2024, along with Ms. DONG Baoyun, appointed on 20 December 2024), and three Independent Non-executive Directors. The current Board's composition, categorized with their names included, is detailed in "Corporate Information" section of this Annual Report.

The names of the Directors serving during the year 2024 and up to the date of this Annual Report can be found in the Directors' Report within this Annual Report. For the biographical information of the current Directors, please refer to the section headed "Directors and Senior Management" in this Annual Report. An updated list of Directors identifying their roles and functions is maintained on the websites of the Company and the Stock Exchange.

Information about the Board diversity policy (the "**Board Diversity Policy**") and the nomination policy (the "**Nomination Policy**") of the Company along with the results of the review of the Board composition, diversity and independence, and the nomination of Board candidate during 2024 are set out in the Nomination Committee section below.

To the best of the knowledge of the Company, there is no financial, business, family or other material or relevant relationship between Board members and between the Chairman and chief executive.

Roles and Responsibilities

The Board possesses a balanced combination of skills, experience, and diverse perspectives that are suitable for the Company's business requirements. Directors make decisions objectively, always acting in the best interests of the Company. The Directors, individually and collectively, recognizes their duties and obligations to Shareholders and their accountability for the Company's management and operations.

To ensure that Directors allocate sufficient time to the Company's affairs, they have disclosed to the Company their positions and responsibilities in Hong Kong or overseas listed public companies or organizations, as well as other significant commitments. This disclosure includes the identification of the public companies and organizations involved and an estimation of the time dedicated to these roles. Furthermore, Directors are reminded to promptly notify the Company of any changes to this information. Additionally, each Director is required to confirm this information to the Company twice a year. Detailed information about the Directors, including their directorships held in listed public companies within the past three years, can be found in the "Directors and Senior Management" section of this Annual Report.

Corporate Governance Report

The Board is the ultimate decision-making body of the Company except for matters requiring the approval of the Shareholders in accordance with the Companies Act 1981 (as amended) of Bermuda, the Bye-laws, the Listing Rules or other applicable laws and regulations. The Board, led by the Chairman, is collectively responsible for the management and operations of the Company. The Board determines which functions are reserved to the Board and which are delegated to senior management.

Important matters are reserved to the Board for its decision, including but not Limited to provide leadership and oversee the management, long term objectives and strategies, extension of the Group's activities into new business areas, appointments to the Board and the Board committees, annual budgets, the effectiveness and adequacy of the Company's internal control and risk management system, material acquisitions and disposals, material connected transactions, material banking facilities, announcements of interim and final results and payment of dividends and reviewing and planning all other important matters for the Company.

The Board also has the following corporate governance duties of the Company:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of the Directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board delegates appropriate aspects of its management and administrative functions to the Executive Director/the General Manager or Board committees. Day-to-day businesses of the Company are delegated to the management team which works under the leadership and supervision of the Executive Director/the General Manager. For effective oversight and leadership, it gives clear directions as to the powers of senior management, in particular, with respect to the circumstances where senior management must report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. These arrangements are reviewed periodically to ensure that they remain appropriate to the needs of the Company.

The Company has purchased and maintained appropriate insurance cover in respect of potential legal actions against the directors and officers of the Group.

Corporate Governance Report

Chairman and General Manager

The Chairman holds the responsibility of directing the Group's strategic business planning and providing leadership to the Board to ensure that it acts in the best interests of the Group. Additionally, the Chairman oversees the effective functioning of the Board and the application of sound corporate governance practices and procedures. The Chairman also seeks to ensure that all Directors are adequately briefed on matters discussed during Board meetings.

The General Manager is responsible for managing the businesses and day-to-day development and operational performance of the Group. The General Manager attends to the formulation and successful implementation of Group policies and strategic plans, assuming full accountability to the Board for all Group operations.

Prior to 28 June 2024, Mr. CHEN Lang served as the Chairman of the Board and Mr. YAO Changlin held the position of the General Manager. The Company was in full compliance with the code provisions of the CG Code during this period. Following Mr. CHEN's resignation as the Chairman of the Board on 28 June 2024, Mr. YAO undertook the dual roles of the Chairman of the Board and the General Manager. While this arrangement deviates from the code provision C.2.1 that recommends these positions should not be held by the same individual to maintain a balance of power and authority, the Board justifies this decision based on Mr. YAO's extensive experience of over 30 years with the COFCO Group and his comprehensive knowledge of the Company's business and strategy since its listing. His leadership and managerial competencies ensure the seamless and continuous execution of the Group's strategies, thus enhancing operational effectiveness. The Board emphasizes that power and authority are not concentrated solely in Mr. YAO's hands, as significant decisions are collectively made with the involvement of the Board, its committees and senior management. In addition, the Board is composed of eight Non-executive Directors, with three of them holding independent positions, thereby offering a range of expertise and unbiased perspectives to maintain a well-balanced governance structure. The Audit Committee and Remuneration Committee are chaired by Independent Non-executive Directors. While the majority of members in the Remuneration Committee and Nomination Committee consist of Independent Non-executive Directors, the Audit Committee comprises solely Independent Non-executive Directors, reinforcing oversight and ensuring checks and balances. These measures are in place to ensure that management functions are executed effectively with the appropriate level of accountability, thereby safeguarding the interests of the Company and its Shareholders. Consequently, the Board is confident that the current structure maintains a balance of power and authority while protecting the operations and governance of the Group.

Non-executive Directors

The Non-executive Directors, including the Independent Non-executive Directors, are experienced professionals from diverse backgrounds. They bring their expertise and knowledge to provide independent judgment on the development, performance, and risk management of the Company.

All Non-executive Directors have signed formal appointment letters or entered into service contracts with the Company with respect to their directorship. Each Non-executive Director serves a three-year term, renewable. Their appointments are subject to the same rotation, retirement and re-election requirements with other Directors in accordance with the Bye-laws. Retiring Directors are eligible for re-election, and their re-election at annual general meetings is presented through separate resolutions. Furthermore, no Director is under a service contract with the Company that cannot be terminated by the Company within one year without payment of compensation, other than statutory compensation.

During the year, the Chairman held annual meeting with the Independent Non-executive Directors without the presence of other Directors in accordance with the CG Code.

Corporate Governance Report

Board Independence

During the year and up to the date of this Annual Report, the Company has three Independent Non-executive Directors, representing not less than one-third of the Board, with at least one possessing appropriate qualifications or accounting or related financial management expertise. The Company has received confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules from all Independent Non-executive Directors, for the financial year 2024. The Company considers them independent according to the Listing Rules.

The Board has implemented mechanisms to ensure the availability of independent views and input. It maintains a balanced composition of Non-executive Directors and Independent Non-executive Directors, with Non-executive Directors forming the majority and Independent Non-executive Directors constituting at least one-third of the Board, ensuring unbiased oversight and equitable judgment. The Audit Committee and Remuneration Committee are both chaired by Independent Non-executive Directors. While the majority of members in the Remuneration Committee and Nomination Committee are Independent Non-executive Directors, the Audit Committee consists solely of Independent Non-executive Directors. The Non-executive Directors, including Independent Non-executive Directors, contribute diversified expertise and experience to the Group. Their insights and active participation in Board and Board committee meetings bring independent judgment and advice on matters related to the Group's strategy, policy, performance, accountability, resources, key appointments, conflicts of interest, and standards of conduct, ensuring the Shareholders' interests are duly considered. In addition, the Company has established multiple channels for Independent Non-executive Directors to voice their opinions and ensures sufficient time for Board and Board committee meetings, enabling Directors to express their thoughts and deliberations. The Independent Non-executive Directors meet with the Chairman at least annually, excluding the presence of other Directors. This arrangement promotes the expression of independent views and facilitates open and constructive dialogue. All Directors have the right to seek independent professional advice at the Company's expense to effectively carry out their duties. The Board has reviewed the above mechanisms and their implementation for the year 2024 and considered them to be effective.

Board Meetings

The Board meets from time to time and at least four times a year to discuss and consider the affairs of the Company. Regular Board meetings are scheduled in advance to give the Directors an opportunity to attend. Directors can attend Board meetings either in person or by electronic means of communication. During the year, the Board held four meetings where it approved interim and final financial results, considered the dividend declarations, considered and approved the change of chairman of the Board, Non-executive Directors and Nomination Committee composition, adopted the recommendations from each of the Board committee, deliberated significant corporate matters and authorized transactions specifically reserved for the Board's decision. The attendance of the Directors is set out in the section headed "Attendance Record at Board, Board Committees and Shareholders Meetings in 2024" below. Throughout the year, the Directors also considered and approved matters and transactions by way of written resolutions circulated to them with relevant materials.

The company secretary of the Company (the "**Company Secretary**") assists the Chairman in preparing agenda and notice for each meeting. Draft agenda for each regular Board meeting is circulated to all Directors to enable them to include all other matters into the agenda. Notices of regular Board meetings are given to all Directors at least 14 days before the meetings. For other Board and Board committee meetings, reasonable notice is generally given. Meeting agenda and accompanying Board papers are sent to all Directors in a timely manner and at least three days before the Board or Board committee meetings. The Company Secretary is responsible for taking and keeping minutes of all Board and Board committee meetings.

Efforts are made to ensure that queries of the Directors are dealt with promptly. Directors at all times have full and timely access to information of the Group, including Board papers and related materials. A financial summary outlining the Group's financial position and performance and containing the actual and budgeted results from different operations, is sent to Directors each month for their review. Each Director has independent access to the management team for information on the Group and unrestricted access to the services of the Company Secretary on corporate governance matters and board procedures and they can ask for further information or retain independent professional advisors whenever deemed necessary by them at the expense of the Company.

Corporate Governance Report

If a Director has a material interest in a matter of significant nature to be considered by the Board, a physical meeting or meeting by telephone conference, electronic or other communications equipment will be held to discuss such matter instead of seeking Directors' written consent by way of circulation of written resolutions. In accordance with the Bye-laws, such Director/Directors who is/are considered to be materially interested in the matter shall abstain from voting and not be counted in the quorum.

Attendance Record at Board, Board Committees and Shareholders Meetings in 2024

		Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Number of Meetings		4	3	3	3	1
Directors						
Executive Director						
Mr. YAO Changlin[(1)] *(Chairman)*		4/4		3/3	2/2	1/1
Non-executive Directors						
Mr. CHEN Lang[(2)]		4/4			1/1	1/1
Mr. ZHANG Hongfei	*(Appointed on 28 June 2024)*	2/2				0/0
Ms. DONG Baoyun	*(Appointed on 20 December 2024)*	0/0				0/0
Mr. ZHANG Mingrui	*(Appointed on 28 June 2024)*	2/2				0/0
Mr. WU Lipeng	*(Appointed on 28 June 2024)*	2/2				0/0
Mr. MA Dewei	*(Resigned on 27 March 2024)*	0/0				0/0
Mr. LIU Yun	*(Resigned on 28 June 2024)*	2/2				1/1
Mr. ZHU Laibin	*(Resigned on 28 June 2024)*	2/2				1/1
Independent Non-executive Directors						
Mr. LAU Hon Chuen, Ambrose, *GBS, JP*		4/4	3/3	3/3	3/3	1/1
Mr. LAM Kin Ming, Lawrence		4/4	3/3	3/3	3/3	1/1
Mr. CHAN Fan Shing		4/4	3/3	3/3	3/3	1/1

Notes:

(1) appointed as the Chairman of the Board and the chairman of the Nomination Committee on 28 June 2024;

(2) resigned as the Chairman of the Board and ceased to be the chairman of the Nomination Committee on 28 June 2024.

Induction and Development

Upon appointment to the Board, each Director would be provided an induction package containing the applicable statutory and regulatory obligations of a director of a listed company, and he or she would receive a briefing on his or her responsibilities under the declaration and undertaking with regard to Directors from an external lawyer of the Company. A new Director is also provided with a Director's handbook which sets out, among other items, information of the Group's businesses, the Bye-laws, the terms of references of the Board committees, corporate governance policies of the Company and financial reporting standards and the duties and responsibilities of Directors under the Listing Rules. Director's handbook is updated from time to time to align with the amendments (if any) to the relevant rules and regulations. Mr. ZHANG Hongfei, Mr. ZHANG Mingrui and Mr. WU Lipeng, who were appointed to the Board on 28 June 2024, along with Ms. DONG Baoyun, appointed on 20 December 2024, had obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 28 June 2024 and 13 December 2024, respectively. Each of them has confirmed his/her understanding of the obligations as a Director.

Corporate Governance Report

All Directors are encouraged to participate in continuous professional development activities to develop and refresh their knowledge and skills. The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, the external lawyer of the Company is invited to give seminars to the Directors and the senior management to update their skills and knowledge regularly. A summary of training received by the Directors for the year 2024 according to the records provided by the Directors is as follows:

Name of Directors		Seminars/ e-trainings/ reading materials on the Group's businesses/ directors' duties/financial reporting/risk management	Seminars/ e-trainings/ reading materials on the legal and regulatory/ corporate governance/ sustainability practices
Executive Director			
Mr. YAO Changlin *(Chairman)*	*(appointed as Chairman on 28 June 2024)*	✓	✓
Non-executive Directors			
Mr. CHEN Lang	*(resigned as Chairman on 28 June 2024)*	✓	✓
Mr. ZHANG Hongfei	*(Appointed on 28 June 2024)*	✓	✓
Ms. DONG Baoyun	*(Appointed on 20 December 2024)*	✓	✓
Mr. ZHANG Mingrui	*(Appointed on 28 June 2024)*	✓	✓
Mr. WU Lipeng	*(Appointed on 28 June 2024)*	✓	✓
Mr. MA Dewei	*(Resigned on 27 March 2024)*	–	–
Mr. LIU Yun	*(Resigned on 28 June 2024)*	–	–
Mr. ZHU Laibin	*(Resigned on 28 June 2024)*	–	–
Independent Non-executive Directors			
Mr. LAU Hon Chuen, Ambrose, *GBS, JP*		✓	✓
Mr. LAM Kin Ming, Lawrence		✓	✓
Mr. CHAN Fan Shing		✓	✓

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct for dealings in the securities of the Company by its Directors (the "**Securities Dealings Code**") that is based on the Model Code. The terms of the Securities Dealings Code are no less exacting than the required standards set out in the Model Code. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Securities Dealings Code throughout the year ended 31 December 2024.

The Company has also adopted a code (the "**Employees Trading Code**") for securities transactions by relevant employees of the Group (the "**Relevant Employees**") based on the Model Code concerning dealings by Relevant Employees in the securities of the Company. Relevant Employees who are likely to be in possession of unpublished inside information of the Group are required to comply with the Employees Trading Code in respect of their dealings in the securities of the Company.

Before the Group's interim and annual results are announced, notifications will be sent to the Directors and the Relevant Employees to remind them not to deal in the securities of the Company during the blackout periods.

Corporate Governance Report

BOARD COMMITTEES

The Board has established and delegated specific roles and responsibilities to respective Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee. These Committees are each established with specific written terms of reference which deal clearly with their respective authority and responsibilities, and they are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any action.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors. It is chaired by Mr. LAU Hon Chuen, Ambrose, *GBS, JP*, and the other members are Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing. None of the Audit Committee members is a partner or former partner of the external auditor of the Group.

The Audit Committee reports directly to the Board. The Audit Committee is mainly assists the Board in fulfilling its duties by reviewing and supervising the Company's financial reporting, significant financial reporting judgments, external auditor issues, internal audit function, risk management and internal control systems. It also develops and reviews the Company's policies and systems on anti-corruption and whistleblowing. The Audit Committee takes on additional responsibilities delegated by the Board as needed.

The Audit Committee is authorised to engage independent legal and other advisers and conduct investigations as it determines to be necessary. The specific terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee convenes as needed to fulfil its responsibilities and meets at least twice per financial year of the Company. During the year, the Audit Committee held three meetings with full attendance. It had reviewed, together with senior management and the external auditor, the annual results for the year ended 31 December 2023 and the interim results for the six months ended 30 June 2024, approved relevant financial reports, assessed accounting principles and practices, ensured statutory compliance, addressed financial reporting matters, reviewed risk management and internal controls reports, assessed the effectiveness of the risk management and internal control systems and reviewed compliance confirmation of the Deed of Non-competition executed by COFCO Corporation in favour of the Company. The Audit Committee also reviewed the Company's internal audit function, including the internal audit plan, all reports from internal audit department and progress in resolving any matters identified in them during the year. It examined the adequacy of resources, staff qualifications, training programmes and budgeting for accounting, internal audit, financial reporting functions, and other corporate functions related to the Group's ESG performance and reporting, as well as matters related to external auditor, such as fees, engagement, and independence. Furthermore, the Audit Committee reviewed and considered the continuing connected transactions of the Company, as well as the 2024 audit plan prepared by the external auditor of the Group.

The attendance record of each member of the Audit Committee is shown under the section headed "Attendance Record at Board, Board Committees and Shareholders Meetings in 2024".

Subsequent to the financial year end, the Audit Committee reviewed at a meeting in March 2025 among other matters, the annual results for the year ended 31 December 2024, the draft annual results announcement, the draft Annual Report 2024, the draft ESG Report 2024, the effectiveness of the Group's risk management and internal control systems, the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company for the year 2025 and considered the major and continuing connected transactions, with recommendations to the Board for approval.

Corporate Governance Report

Remuneration Committee

The Remuneration Committee currently comprises four members, a majority of which are Independent Non-executive Directors. It is chaired by Mr. LAU Hon Chuen, Ambrose, *GBS, JP* (an Independent Non-executive Director), and the other members are Mr. YAO Changlin (the Executive Director and the Chairman of the Board), Mr. LAM Kin Ming, Lawrence (an Independent Non-executive Director) and Mr. CHAN Fan Shing (an Independent Non-executive Director).

The Remuneration Committee reports directly to the Board. The Remuneration Committee is mainly responsible for providing recommendations to the Board regarding the Company's policy and structure for all Directors and senior management remuneration. This includes establishing a transparent procedure for developing the remuneration policy. The Remuneration Committee also provides recommendations on the remuneration packages of individual executive Directors and senior management, considering benefits, pensions, and compensation payments. Additionally, the Remuneration Committee reviews the remuneration of non-executive Directors, considering factors such as salaries at comparable companies, time commitment, responsibilities, and employment conditions within the Group. The Remuneration Committee also reviews and approves matters relating to share schemes under Chapter 17 of the Listing Rules (if any) and conforming to requirements, directions, regulations prescribed by the Board, the Company's constitution, or legislation.

The Remuneration Committee is provided with sufficient resources enabling it to perform its duties. The specific terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Board has adopted a Policy on Remuneration of Full Time Directors and Management Team to provide guidance on the determination of remuneration of Executive Directors and management team, with reference to the Company's performance and profitability, industry remuneration benchmarks and prevailing market conditions. Remuneration should be performance-based and, coupled with an incentive system, competitive to attract and retain talented employees.

The Board has adopted the model, pursuant to which the Remuneration Committee makes recommendations to the Board on the remuneration packages of individual Executive Directors, Non-executive Directors and senior management (if any).

In 2024, three meetings were held with full attendance and one written resolutions was signed. The Remuneration Committee reviewed and assessed the remuneration policy for Directors and senior management, examined the terms of reference for the Remuneration Committee, and approved the performance-based bonus for the Executive Director and Non-Executive Director(s). Furthermore, the Remuneration Committee approved the remuneration packages for newly appointed Non-executive Directors. None of the Directors were involved in determining their own remuneration.

The emoluments paid to each Director for the 2024 financial year are shown in note 14 to the consolidated financial statements of this Annual Report. The remuneration paid to members of the management team for the 2024 financial year is disclosed in note 15 to the consolidated financial statements of this Annual Report.

The attendance record of each member of Remuneration Committee is shown under the section headed "Attendance Record at Board, Board Committees and Shareholders Meetings in 2024".

Subsequent to the financial year end, the Remuneration Committee reviewed at a meeting in March 2025 the remuneration policy of Directors and senior management, 2025 Directors' fee and remuneration for the Directors, with recommendations to the Board for approval.

Corporate Governance Report

Nomination Committee

The Nomination Committee currently comprises four members, a majority of which are Independent Non-executive Directors. It is chaired by Mr. YAO Changlin (the Executive Director and the Chairman of the Board, appointed to the Nomination Committee on 28 June 2024 following the resignation of Mr. CHEN Lang as the Chairman of the Board and his cessation as the chairman of Nomination Committee), and the other members are Mr. LAU Hon Chuen, Ambrose, *GBS, JP* (an Independent Non-executive Director), Mr. LAM Kin Ming, Lawrence (an Independent Non-executive Director) and Mr. CHAN Fan Shing (an Independent Non-executive Director).

The Nomination Committee reports directly to the Board. The main responsibilities of the Nomination Committee are to review the structure, size and composition, the balance of skills, knowledge, experience and diversity of the Board against its needs and make recommendation on the composition of the Board to complement the Company's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules and reviews the Director Nomination Policy and the Board Diversity Policy annually and its terms of reference periodically and makes recommendation on any proposed revisions to the Board.

The Nomination Committee is provided with sufficient resources enabling it to perform its duties. The specific terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

In 2024, three meetings were held with full attendance and one written resolutions was signed. The Nomination Committee evaluated the independence of all Independent Non-executive Directors, affirming their independence based on the annual confirmation and evaluation against the independence criteria outlined in Rule 3.13 of the Listing Rules. The Nomination Committee recognized that the Independent Non-executive Directors consistently provide impartial and balanced perspectives to the Board, playing crucial roles in various Board committees, offering external viewpoints and delivering informed commentary on corporate governance, performance, Director appointments and standards of conduct. None of these Directors are involved in the day-to-day operations of the Company or have financial or other interests that could compromise their objectivity. The Nomination Committee did not identify any factors that could potentially impair their independent judgment. In addition, the Nomination Committee reviewed and evaluated the time commitments of each Director regarding their duties and concluded that all Directors dedicate sufficient time to effectively fulfill their responsibilities after careful consideration of attendance records, meeting participation and availability for ad hoc transaction consultations. The Nomination Committee also assessed the Board's structure, skills, composition and diversity, considered that it has sound diversity and a balanced composition of skills and experience appropriate for the Group's business requirements. Furthermore, the Nomination Committee recommended the appointments of Mr. ZHANG Hongfei, Mr. ZHANG Mingrui and Mr. WU Lipeng to the Board in June 2024, along with Ms. DONG Baoyun in December 2024. These recommendations were subject to stringent assessment process in line with the Nomination Policy and the Board Diversity Policy, ensuring that the Board maintains the necessary knowledge, experience and skills in alignment with the business needs of the Company.

The attendance record of each member of Nomination Committee is shown under the section headed "Attendance Record at Board, Board Committees and Shareholders Meetings in 2024".

Subsequent to the financial year end, the Nomination Committee reviewed at a meeting in March 2025 the structure, skills, composition and diversity of the Board, affirmed the independence of the Independent Non-executive Directors, assessed the adequacy of Directors' time allocation for their duties, deliberated on the selection of Directors for retirement and re-election at the 2025 AGM, and recommended these decisions to the Board for consideration. The Nomination Committee also evaluated the effectiveness of the Board Diversity Policy and the Nomination Policy, as well as their implementation during 2024, and considered them to be effective.

Corporate Governance Report

Appointment of Directors

The Board is authorised under the Bye-laws to appoint any person as a Director, from time to time and at any time, either to fill a casual vacancy on the Board or, with the Members' general meeting approval, as an addition to the existing Board, ensuring that the number of Directors appointed does not exceed the maximum number set by the Members in general meeting. As per the Bye-laws, any Director appointed by the Board to fill a casual vacancy or added to the existing Board will serve until the subsequent annual general meeting of the Company ("**AGM**") and will then be eligible for re-election. Furthermore, during each AGM, one-third of the current Directors (or the nearest number to but not less than one-third if their number is not a multiple of three) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Nomination Policy and Process

The Board has established a Nomination Policy that details the selection criteria and nomination procedures for selecting, appointing and re-appointing of members to the Board. The Nomination Committee enforces this Nomination Policy by evaluating factors such as succession planning, strategic business needs and compliance with the Listing Rules. It rigorously assesses each candidate's integrity, gender, age, professional experience, qualifications, independence (for independent Non-executive Directors), and ability to contribute effectively to the Company's success. The Nomination Committee also verifies that recommended candidates adhere to the standards set by the Board Diversity Policy. In the case of re-appointments, the Nomination Committee evaluates each retiring Director's past contributions, ongoing suitability and alignment with the nomination criteria before proposing reelection at the general meeting. The Board conducts periodic reviews of the Nomination Policy and oversees its implementation to ensure continuous effectiveness and compliance with the Listing Rules. The latest version of the Nomination Policy is available on the website of the Company.

The nomination process is conducted in line with both the Nomination Policy and Board Diversity Policy, ensuring transparency, fairness and compliance with regulatory compliance. When a new Director is needed, the Nomination Committee identifies and evaluates candidates based on defined criteria, such as gender, age, skills, experience, integrity, availability, and potential Board contributions. Qualified candidates are then recommended to the Board for consideration. For re-appointments, the Nomination Committee evaluates the incumbent Director's past performance and ongoing suitability before recommending re-election to the Board and, ultimately, to the Shareholders. Compliance with the independence criteria stipulated under Rule 3.13 of the Listing Rules is mandatory for Independent Non-executive Directors. Each Director's appointment is formalized through a letter of appointment or service contract that clearly sets forth the engagement terms.

Board Diversity

The Company recognizes the importance of diversity among its Board members. To maintain its competitive advantage and achieve sustainable and balanced development, the Company acknowledges the benefits of having a diverse Board. The Board adopted the Board Diversity Policy, which sets out the approach to achieving diversity among Board members. Under the Board Diversity Policy, the selection of candidates for Board appointments should consider various objective factors such as gender, age, cultural and educational background, work or professional experience, skills, knowledge, the Company's business model and specific needs, strategy, objectives, and any other relevant factors the Board may consider. Board appointments will be made based on merit and the contribution that the chosen candidate(s) will bring to the Board. The Nomination Committee monitors the implementation of the Board Diversity Policy and reviews it annually to ensure continuous effectiveness and compliance with the Listing Rules. The latest version of the Board Diversity Policy is available on the website of the Company.

As of the year ended 31 December 2024 and up to the date of this annual report, the Board comprises nine members exhibiting a diverse range of perspectives encompassing age, gender, length of service, as well as professional experience, knowledge and business backgrounds. The inclusion of a female member on the Board satisfies the Listing Rules requirement. The Board targets to uphold the existing level of female representation at the Board level, subject to periodic reviews to evaluate its adequacy and suitability. Rather than setting a particular timeline for increasing female representation, the Company highlights flexibility in Board composition, guided by evolving operational needs and the identification of appropriate candidates. To advance gender diversity and develop a pipeline of qualified successors, the Company employs various sourcing methods when vacancies arise, including referrals from Directors, Shareholders, management, Company advisers and external executive search firms, to ensure access to a diverse and capable pool of candidates.

Corporate Governance Report

The Group is dedicated to promoting diversity and equity in the workplace, including gender diversity at all hierarchical levels. As at 31 December 2024, the gender ratio within the workforce was approximately 1 female to 1.29 males. The Group believed that its workforce had adequate gender diversity, taking into consideration the requirements of its business and operations. To sustain gender diversity, the Group has implemented effective recruitment and selection practices to ensure a diverse pool of candidates is considered. While the Group perceives its current gender composition as sufficiently balanced, certain operational and business-specific factors may present obstacles to achieving equal representation across all areas. Detailed information regarding gender ratios, together with relevant data, can be found in the 2024 ESG Report.

Executive Committee

The Executive Committee was established in 2014 to oversee the Company's daily operations, risk management, internal controls, and corporate governance. Mr. YAO Changlin is currently the only member of the Executive Committee, serving as the Executive Director. The powers and authority of the Executive Committee are outlined in its terms of reference, which can be found on the website of the Company.

According to terms of reference of the Executive Committee, it should consist of all the executive Directors. However, since 30 September 2022, the Company has only had one executive Director, which falls short of the required number of committee members. As a result, the Board has temporarily assumed the powers and authority of the Executive Committee.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. The role of the Company Secretary is to facilitate effective communication among Directors and ensure compliance with board policies and procedures. The Company Secretary reports to the Chairman and the General Manager on matters related to corporate governance and assist in the induction and professional development of Directors. In addition, the Company Secretary serves as the secretary to all Board committees. The appointment and removal of the Company Secretary require approval from the Board.

Ms. Sonya HAU, the Company Secretary, has complied with the requirement of taking no less than 15 hours of the relevant professional training under Rule 3.29 of the Listing Rules during the year 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

With reference to the guidelines relating the risk management and internal control published by the SASAC of the PRC and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, the Group has established risk management and internal control systems to systematically identify, assess, and manage various risks in its business activities. These system aim to safeguard assets from unauthorized use or disposition, maintain proper accounting records for reliable financial information, ensure compliance with laws, rules and regulations, and enhance operational efficiency and effectiveness while reducing strategic uncertainty. It's important to note that while these systems provide reasonable assurance against material misstatement or loss, they are designed to manage, not eliminate, the risks associated with the Group's business activities.

Risk Management and Internal Control governance

The Group is committed to fostering a risk-aware environment that places a strong emphasis on control. The distribution of responsibility for risk management and internal control is a shared endeavor across all levels of the organization.

The Board acknowledges its responsibility for risk management and internal control systems, as well as for reviewing their effectiveness. It takes overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the strategic objectives of the Group, ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems and overseeing the systems on an ongoing basis. The Audit Committee assists the Board in leading the management and monitoring, overseeing and reviewing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board.

Corporate Governance Report

The management of the Company holds responsibility for day-to-day risk management across all departments and subsidiaries. Assisting them in designing and implementing risk management practices is the strategic/risk management department. Their role includes supervising, monitoring, and centralizing the Group's risk management efforts. Each business and functional unit, as well as individuals, serve as risk owners. They regularly identify, assess, monitor, and report risks.

In the Group, all business/functional units and individuals have a role to play in risk management and internal control systems. These roles are defined using the three lines of defence model, which takes into account the Group's business and functional structures.

"Three Lines" of Defence Model

The first line of defence is our business and functional units, which are responsible for managing the risks they own. Each business and functional unit has the duty to manage its own risks in the course of daily operations. Their role involves establishing risk management measures to identify, measure, mitigate, and monitor internal risks. This includes designing and implementing control procedures to address identified risks. Responsibilities also include completing a risk assessment template and submitting assessment results to the strategic/risk management department twice annually. Additionally, the role also requires implementing risk action plans advised by the strategic/risk management department, internal audit department, or the Audit Committee to address significant operational risks.

The second line of defence is our strategic/risk management department, which reports directly to the senior management of the Company. The primary responsibilities of the strategic/risk management department include reviewing the risk assessment results submitted by each business unit, providing training, support and guidance to them, and proposing risk action plans for implementation. They also report their progress to the senior management of the Company and suggest improvements to the risk management and internal control systems for consideration by the senior management of the Company and/or the relevant business units.

The third line of defence is our internal audit function, which conducts audits to assess the effectiveness of risk management and internal control systems. They report their findings to the Audit Committee, providing independent and objective assurance on system functionality. The internal audit department also recommends improvements to the risk management and internal control systems for review by the Audit Committee, the strategic/risk management department, and relevant business units.

Internal Audit Function

An internal audit department has been established to conduct audits within the Group. It performs systematic and ongoing risk-based audits for all business units and functions in the Group, including material risks related to ESG. They analyzes and appraises the adequacy and effectiveness of the Group's risk management and internal control systems independently. They have unrestricted access to all areas of the Group's businesses and can communicate directly with any level of management, including the Chairman of the Board and the chairman of the Audit Committee. The internal audit department reports major audit findings and recommendations directly to the Audit Committee and the Board on a half-yearly basis. They also track and follow up on the implementation of agreed actions in response to identified audit issues, providing regular status reports to the Audit Committee.

Policies and Guidelines

Policy on Disclosure of Inside Information

The Company has adopted a policy on disclosure of Inside Information (the "**Inside Information Policy**") which contains the principles and procedures for handling and dissemination of price-sensitive information with reference to the requirements and principles set out in the Listing Rules and Guidelines on Disclosure of Inside Information published by the Securities and Futures Commission. All Directors and employees are bound by the Inside Information Policy to safeguard confidential information.

Corporate Governance Report

Anti-Corruption Policy

The anti-corruption policy of the Company sets out that the Directors and all employees of the Group are obliged to comply with applicable anti-corruption laws, regulations and codes of declaration of interests to ensure that the reputation of the Group is not undermined by any fraud, disloyalty or corruption and to demonstrate the Group's zero tolerance to corruption. The Company also encourages and expects its business partners/external parties having business dealings with the Group including suppliers, contractors and clients to abide by the principles of this policy.

The policy references principles embodied in the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and all other applicable laws, rules and regulations relating to bribery or corruption of applicable jurisdictions in other countries or regions in which such directors or employees do business to prevent them from engaging in any form of bribery or corruption, money laundering and terrorist fund-raising to set a tone-at-top on anti-fraud commitment and relevant reporting channels.

Whistleblowing Policy

The Company has established a Whistleblowing Policy that applies to all employees and independent third parties who deal with the Group. This policy enables individuals to directly report any serious concerns regarding suspected fraud, corruption, malpractice, misconduct, or irregularities within the Group. Reports can be made to either the Audit Committee or the Board. Reported cases will be internally investigated by the Board or the Audit Committee. If delegated by them, the Company Secretary, internal audit department, human resources department, or other departments of the Company will conduct confidential and timely investigations. The findings of these investigations will be reported to both the Audit Committee and the Board.

Review of Risk Management and Internal Control Systems Effectiveness

In 2024, the internal audit department prepared an annual audit plan based on risk-based principles and internal guidelines. The plan aimed to achieve full coverage of internal control assessments within three years. Pursuant to the approved annual internal audit plan endorsed by the Audit Committee, the internal audit department conducted an assessment of internal controls, encompassing 122 sub-processes across major business units, such as investment promotion management, operation management, marketing management and construction-phase project management, achieving a coverage rate of 35.26%. Special audits were conducted upon request from the Audit Committee or senior management. After completing the audits, internal audit reports were prepared and presented to the management and the Audit Committee. Control defects were communicated to subsidiaries/functional units with recommendations for immediate rectification, and monthly follow-ups were conducted for unresolved issues. Performance indicators were used to reinforce the importance of rectification and facilitate effective changes across regional subsidiaries/functional units.

During the year, the Company implemented a scientific and rational methodology to identify, assess and mitigate significant risks. It devised a 2024 risk assessment questionnaire tailored to evaluate potential risks based on their likelihood and impact, specifically customized to align with the unique dynamics of the property development industry and the operational context of the Group. The process encompassed the selection of appropriate survey participants, the dissemination and collection of questionnaires, and the comprehensive analysis of responses. Furthermore, the risk management team of the Company conducted scenario analyses, internal deliberations and scrutinized data from its operational risk-reporting system and risk-classification indicators to ensure a comprehensive perspective. Through this multifaceted approach, significant risks were identified and evaluated throughout the year. Detailed information of the key risks can be found in "Management Discussion and Analysis" section of this Annual Report and the ESG Report 2024.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of these measures as part of their statutory audits. Any applicable recommendations from the external auditor were considered for adoption, leading to enhancements in the risk management and internal controls.

Corporate Governance Report

A comprehensive review of the Group's internal control system was performed, covering all material controls including financial, operational, compliance, and risk management controls. The internal control and risk management reports were presented to the Audit Committee for review and subsequently reported to the Board in March and August 2024 and March 2025. The reports highlighted audit findings, development progress, and the effectiveness of risk management and internal control systems. This included the scope and quality of management's ongoing monitoring of risks (including ESG risks), as well as the work and effectiveness of internal audit department. The reports also addressed changes in significant risks, since the previous review, and the Group's ability to respond to changes in its business and the external environment. Additionally, the extent and frequency of communication regarding monitoring results were also included. The reports also examined any significant control failings or weaknesses identified during the period and their potential impact on the Company's financial performance and the effectiveness of the Company's processes related to financial reporting and statutory and regulatory compliance. Recommendations and follow-up procedures were also included. The reports assisted the Audit Committee and the Board in evaluating the Group's risk management and internal control systems throughout the year. Additionally, the Company's management provided the Board with confirmation of the effectiveness of the risk management and internal control systems.

The Board, through the Audit Committee, has conducted biannual reviews of the Group's risk management and internal control systems. These reviews encompassed risk and financial accounting and reporting, operational efficiency, compliance with laws and regulations, and risk management functions. They also evaluated resource allocation, staff qualifications and experience, training programs, and budgeting for accounting, internal audit, financial reporting functions, and other corporate functions related to the Group's ESG performance and reporting. Based on the review, the Board concluded that the Group's risk management and internal control systems are effective, adequate, and compliant with the CG Code provisions throughout the year and up to the date of this Annual Report.

AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

The independence of the external auditor is crucial to the Audit Committee, the Board and Shareholders. On an annual basis, SHINEWING (HK) CPA Limited ("**SHINEWING**") confirms its status to the Audit Committee as an independent accountant in accordance with the Code of Ethics for Professional Accountants of the Hong Kong Institute of Certified Public Accountants. SHINEWING also affirms that there are no known factors that could compromise its independence. The Audit Committee reviews annually the independent of SHINEWING and evaluates the fees paid for both audit and non-audit services, including the nature of the non-audit work, during their meetings.

SHINEWING has confirmed that it has been, for the year ended 31 December 2024, independent of the Group. SHINEWING has acknowledged its reporting responsibilities in the independent Auditor's Report on the audited consolidated financial statements for the year ended 31 December 2024. The reporting responsibilities of SHINEWING are stated in the Independent Auditor's Report of this Annual Report.

During the year ended 31 December 2024, the remuneration paid or to be payable to the auditor SHINEWING for audit services and non-audit services were RMB2,250,000 and RMB1,585,000, respectively. Non-audit services fees were mainly for review of the interim report, notifiable transactions and other professional services.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management provides each Director a monthly financial reporting update with balanced and understandable assessment of the performance, financial position and prospects of the Group every month to facilitate the Board as a whole and each Director to discharge their duties under the Listing Rules.

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year. The Directors consider that the financial statements have been prepared in accordance with the generally accepted accounting principles in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. After appropriate enquires, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to operate as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The Board is aware of the applicable requirements under the Listing Rules and statutory regulations with regard to the timely and proper disclosure of inside information, announcements and financial disclosures, and authorises their publication as and when required. The interim and annual results of the Company are published in a timely manner within two months and three months respectively after the end of the relevant periods.

SHAREHOLDERS

Shareholder Rights

Procedures for Shareholders to Convene a SGM

Pursuant to bye-law 58 of the Bye-laws and section 74 of the Companies Act 1981 of Bermuda, Shareholders holding not less than one-tenth (10%) of the total voting rights of the Company at the date of deposit of the requisition are entitled, by written requisition to the Board or the Company Secretary, to request the Board to call a SGM (the "**SGM Requisitionists**"). Such written requisition must state the purposes of the proposed SGM, and must be signed by the SGM Requisitionists and deposited at the registered office of the Company. It may consist of several documents in like form, each signed by one or more SGM Requisitionists.

If the Board does not proceed duly to convene a SGM within twenty-one (21) days from the date of the deposit of the requisition, the SGM Requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM provided that it is held within three (3) months from the date of deposit of the requisition. The SGM Requisitionists shall convene such SGM in the same manner, as nearly as possible, as that in which SGMs are to be convened by the Board, pursuant to section 74(4) of the Companies Act 1981 of Bermuda.

Putting Forward a Proposal by Shareholder(s) at General Meetings

(a) A Shareholder or Shareholders holding not less than 5% of the total voting rights of the Company on the date of the requisition or (b) not less than one hundred (100) Shareholders acting together, may submit a written request putting forward a proposal (which may properly be put to a general meeting) for consideration at a general meeting. Such written request must be signed by the requisitionists, and may consist of several documents in like form, each signed by one or more requisitionists. After that, it must be deposited at the registered office of the Company, together with a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, not less than six (6) weeks before the general meeting (in case of a requisition requiring notice of a resolution) or not less than one (1) week before the general meeting (in case of any other requisition). If such written request is confirmed to be proper and in order, necessary arrangement will be made to put such written request to the general meeting.

Corporate Governance Report

Procedures for Nomination and Election of Director by Shareholders

Pursuant to bye-law 85 of the Bye-laws, if a Shareholder wishes to propose a person other than a retiring Director (the "**Candidate**") for election as a Director at a general meeting, such Shareholder is required to lodge the following documents (which shall be addressed to the Company Secretary) at the head office (33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong) or the Registration Office (Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) within the Notice Period (as defined below):

(a) a written notice signed by a Shareholder duly qualified to attend and vote at a general meeting, stating the intention to propose the Candidate for election; and

(b) a written notice signed by the Candidate of his/her willingness to be elected, which includes the information of the Candidate as required to be disclosed pursuant to rule 13.51(2) of the Listing Rules and the Candidate's consent to the publication of such information (collectively referred to as the "**Notices for Director's Election**").

"Notice Period" means at least seven (7) days prior to the date of such general meeting appointed for considering such election of Director. However, if the Notices for Director's Election are submitted after the dispatch of the notice of such general meeting appointed for considering such election of Director, then the Notice Period shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns with sufficient contact details to the Board at the principal place of business of the Company for the attention of the Company Secretary or e-mail to 207cosec@cofco.com.

Shareholder Engagement and Communications

The Board recognizes the importance of balanced, clear and timely communications with Shareholders and the general investing public (where appropriate) to enable them to keep abreast of the Group's business affairs and development. The Board has taken various steps to maintain ongoing and regular dialogues with Shareholders and the general investing public, including:

Dividend Policy and Dividend Information

The Company has adopted a dividend policy (the "**Dividend Policy**"). According to the Dividend Policy, the Company intends to declare dividends to Shareholders every year and may declare special dividends from time to time. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the Group's distributable profits generated during the year, the liquidity of cash flow, and the retained profits for future development. While sharing the profit with Shareholders, the Company shall also maintain sufficient reserves to ensure the implementation of the Group's strategy for development. The payment of dividend is also subject to any restrictions under the laws of Bermuda, the laws of Hong Kong and the Bye-laws. The Dividend Policy will be reviewed from time to time so as to keep in line with the future prospects and capital requirements of the Group and the changes in market conditions. Dividend information of the Company during the year is set out in the Directors' Report of this Annual Report.

Corporate Governance Report

Shareholder Communication Policy

The Board has established a Shareholder Communication Policy setting out the framework to facilitate effective communication between the Company and its Shareholders. This policy aims to empower Shareholders to actively engage with the Company and exercise their rights in an informed manner.

The Shareholder Communication Policy ensures that both Shareholders and the general investing public, where applicable, have equal and timely access to information about the Group. It also provides opportunities for Shareholders to actively interact with the Company.

Communication with Shareholders

The Shareholder Communication Policy outlines various communication channels, including the Company's Corporate Communication, which encompasses financial and other reporting, announcements, circulars, notices, and regulatory disclosures in compliance with relevant regulations. Additionally, the policy includes disclosures on the Company's website, as well as engagement with the investment community through activities such as press meetings, result briefings, road shows with analysts and investors, and shareholders meetings. These channels enable both individual and institutional shareholders to communicate with the Company and provide feedback as needed.

Communication with the Company

In addition to the ongoing and regular dialogue with Shareholders and the general investing public as described above, there are multiple avenues for Shareholders to communicate their views on matters affecting the Company and where the Company will solicit and get feedback from Shareholders.

Board or management of the Company through the Company Secretary	Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Such questions, requests and comments can be addressed to the Company Secretary by mail to Joy City Property Limited, 33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, or by email to 207cosec@cofco.com.
Investor Relations	Institutional investors and analysts can contact the Group Investor Relations of the Company by mail to Joy City Property Limited, 33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong or by email to 207ir@cofco.com.
Share Registrar	Shareholders should direct any questions about their registered shareholdings by mail to the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to is-enquiries@vistra.com, who has been appointed by the Company to assist Shareholders with share registration and related matters.
Whistleblowing	The Company provides a mechanism for employees and those who deal with the Group to report to the Company any suspected misconduct or malpractice through confidential reporting channels. The Whistleblowing Policy of the Company sets out the available channels and procedures for anonymous reporting of improprieties. Every report shall be made in writing by post to Joy City Property Limited, 33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of the Chairman of the Board or the Chairman of the Audit Committee. The Chairman of the Board or the Chairman of the Audit Committee shall then review the report, determine the course of action to pursue, with power to delegate, with respect to the report.

Corporate Governance Report

Review of the Implementation and Effectiveness of the Shareholder Communication Policy

During the year, the Company has arranged the followings in accordance with the Shareholder Communication Policy and the Bye-laws:

– published the annual reports, interim reports, circulars, announcements, notices and other regulatory disclosures in compliance with the applicable regulatory requirements in a timely manner with the websites of the Stock Exchange and the Company;

– information on the Company, including communication to Shareholders are maintained in website of the Company;

– updated, adopted and published key corporate governance policies on the website of the Company;

– all Shareholders are given opportunities to meet the Directors, senior management and/or auditor and to raise questions at our AGM on 13 June 2024;

– all Shareholders are provided contact details and are welcome at all times to give feedback to and communicate with the Directors or management through the Company Secretary, Investor Relations, Share Registrar of the Company and Whistleblowing reporting; and

– all Shareholders are provided information on how to convene SGM and procedures and sufficient contact details for putting forward proposals at Shareholders meetings.

With the above measures in place, the Shareholder Communication Policy are considered to have been effectively implemented during the year.

CONSTITUTIONAL DOCUMENTS

There was no change to the Memorandum of Association and Bye-laws during the year ended 31 December 2024.

INVESTOR RELATIONS

The Company considers it crucial to provide investors with accurate information in a timely manner and maintain communication with investors through effective communication channels, with an aim to enhance mutual understanding between investors and the Company and improve the transparency of the Company's information disclosure.

In accordance with the Listing Rules, the Company shall duly disseminate its corporate information via various channels, including annual reports, announcements and company website. After formal announcement of its results in accordance with the Listing Rules, the Company will arrange for meetings during which the management will answer questions from investors. The Company shall meet overseas investors and facilitate communication with them through analysts' conference and roadshows.

In 2024, the Company held the following major investors relationship activities:

Month	Investor/Activity	Type/Place
January	Huabao WP Fund/Investment strategy/analysts meeting	Online
March	Scorpio Asset*（天蠍座資產）/Investment strategy/analysts meeting	Physical/China
April	Citibank/Investment strategy/analysts meeting	Physical/China
June	Annual General Meeting	Physical/Hong Kong
June	DBS Bank/Investment strategy/analysts meeting	Physical/China
September	GF Fund Management/Investment strategy/analysts meeting	Physical/China
October	Yaozhi Asset*（耀之資產）/Investment strategy/analysts meeting	Physical/China
November	CICC, Sino-Italian Capital/Investment strategy/analysts meeting	Physical/China
November	Kaiyuan Securities*（開源證券）/Investment strategy/analysts meeting	Physical/China

CHANGES AFTER CLOSURE OF FINANCIAL YEAR

This Corporate Governance Report takes into account the changes that occurred between the end of 2024 and the date of it's approval.

Directors' Report

The Board is pleased to present its report and the audited consolidated financial statements of the Group for the year ended 31 December 2024, which were approved by the Board on 27 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holdings. The Group is primarily engaged in property development, operation, sale, leasing and management of mixed-use complexes and other commercial properties such as shopping centres, hotels, offices, serviced apartments and resort and tourist properties. The principal businesses of the Group are divided into four major areas, namely investment properties, property development, hotel operations and output management and other services.

Details and analysis of the main business segments of the Group during the year are set out in the sections of Company Profile, Major Business Structure, Chairman's Statement and note 5 to the consolidated financial statements. A list of the principal activities of the Company's principal subsidiaries, associates and joint ventures as at 31 December 2024 and their particulars are set out in notes 50, 20 and 21 to the consolidated financial statements respectively of this Annual Report.

BUSINESS REVIEW

A fair review of the Group's business as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including indication of likely future development in the Group's business, an analysis of the Group's performance during the year and the particulars of important events affecting the Group that have occurred since the end of the year can be found in the sections of Chairman's Statement, Financial Highlights, Management Discussion and Analysis, Five Years Financial Summary and this section of this Annual Report. Principal risks and uncertainties faced by the Group and details about the financial risk management are set out in Management Discussion and Analysis, Corporate Governance Report, note 43 to the consolidated financial statements of this Annual Report and the ESG Report 2024. Save as disclosed hereunder, further discussion and analysis about the Group's environmental policies and performance, compliance with laws and regulations and the Company's relationship with its stakeholders can be found in the relevant sections of the ESG Report 2024.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board recognizes the importance of balancing business development and environmental protection. The Board places significant emphasis on environmental, social, and governance ("**ESG**") initiatives, viewing ESG as one of the key strategies for fostering sustainable corporate development. The Board assumes responsibility for ESG governance, monitors sustainability trends, addresses key issues, promotes sustainable development, and authorizes the ESG management team to oversee the coordination, implementation, and execution of ESG-related tasks. By staying true to the Company's core values of integrity, professionalism, teamwork, and innovation, the Company actively embraces its role as a responsible state-owned enterprise. It implements green practices, expands the concept of being a "Green Joy City" and enhances the energy-saving management system. Its aim is to create a positive and lasting impact on society while ensuring transparency and accountability in its operations. In 2024, the Company effectively integrated ESG principles into its strategy and daily operations. It actively supported national green initiatives by prioritizing ecology and low-carbon practices, advancing technological innovation to drive its green and digital transformation. The Company also enhanced energy conservation efforts through a refined management system, aligning asset growth with sustainability. Social responsibility also remained a key focus, as it supported public welfare projects across major cities. By promoting green spaces, healthy living and inclusive community experiences, the Company contributed to environmental protection and improved public well-being. It also addressed broader ecological concerns such as desertification and water conservation. On the governance front, it boosted transparency, strengthened risk management, and implemented reforms to enhance corporate oversight. Detailed discussion and analysis of the Group's environmental policies and performance and work done during the year can be found in the relevant sections of the ESG Report 2024.

STAKEHOLDER RELATIONS

The Group recognizes that the support of stakeholders in the Group is essential. Our major groups of stakeholders include governments and regulators, employees, investors, Shareholders/investors, consumers, suppliers and business partners and community. In 2024, the Group continued its ongoing efforts to engage with its stakeholders through various communication channels to deliver the latest information on our business development and operations in a timely manner, and to understand and respond to their expectations and demands, so as to help us objectively review the issues that need to be addressed and resolved and promote long-term development of the Company. We continued to strengthen the quality and effectiveness of information disclosure and compliance with applicable laws and regulations, with the purpose of establishing mutual trust and win-win relationships. Further discussion and analysis of the Company's key relationships with stakeholders and the communication policy with Shareholders, please refer to the Corporate Governance Report of this Annual Report and the ESG Report 2024.

Directors' Report

COMPLIANCE WITH LAWS AND REGULATIONS

As at the date of this Annual Report, the respective progress of the remedial measures taken by the Group in respect of non-compliances relating to the Group or its property projects as disclosed in the Company's circulars dated 30 November 2013 and 5 November 2014, which may be remedied remained substantially the same as described in the Company's annual report published on 29 April 2015.

The Group is committed to ensuring its businesses are operated in compliance with the rules, laws and regulations in Hong Kong, the PRC and other relevant jurisdictions in which the Company and its subsidiaries operate. The Group has in place compliance procedures to monitor and ensure the continuous compliance with laws and regulations. For the year ended 31 December 2024, so far as the Company is aware, the Group has complied with relevant laws and regulations that have significant impacts on the Group in all material aspects, including, in particular, the Companies Act of Bermuda, the Listing Rules, the Takeovers Codes, the Companies Ordinance, the SFO as well as laws and regulations concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption and environmental protection.

RESULTS AND DIVIDEND

The Group's results for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 84 to 85 of this Annual Report.

The Board does not recommend payment of any dividend in respect of the year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for each of the five financial years ended 31 December 2024 is set out on page 79 of this Annual Report.

BANK BORROWINGS

Details of movements in the Group's bank borrowings during the year ended 31 December 2024 are set out in note 31 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2024 are set out in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

RESERVES

Details of movements in the Company's and the Group's reserves during the year are set out in note 51 and note 36 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

Directors' Report

DISTRIBUTABLE RESERVES

As at 31 December 2024, the reserves available for distribution of the Company amounted to RMB10,756,726,000. As at 31 December 2024, the Company's share premium in the amount of RMB17,993,202,000 (as at 31 December 2023: RMB17,993,202,000) may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The sales to major customers and purchases from major suppliers by the Group for the year are as follows:

	Percentage of total turnover for the year ended 31 December 2024 (%)
Top five customers	3.28
Largest customer	0.91

	Percentage of total purchases for the year ended 31 December 2024 (%)
Top five suppliers	13.93
Largest supplier	3.79

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholder holding more than 5% of the number of issued shares of the Company as at 31 December 2024, had any beneficial interest in any of the major customers or suppliers of the Group.

Directors' Report

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this Annual Report are as follows:

Executive Director:

Mr. YAO Changlin *(Chairman)*	*(Appointed as Chairman on 28 June 2024)*

Non-executive Directors:

Mr. CHEN Lang	*(Resigned as Chairman on 28 June 2024)*
Mr. ZHANG Hongfei	*(Appointed on 28 June 2024)*
Ms. DONG Baoyun	*(Appointed on 20 December 2024)*
Mr. ZHANG Mingrui	*(Appointed on 28 June 2024)*
Mr. WU Lipeng	*(Appointed on 28 June 2024)*
Mr. MA Dewei	*(Resigned on 27 March 2024)*
Mr. LIU Yun	*(Resigned on 28 June 2024)*
Mr. ZHU Laibin	*(Resigned on 28 June 2024)*

Independent Non-executive Directors:

Mr. LAU Hon Chuen, Ambrose, *GBS, JP*
Mr. LAM Kin Ming, Lawrence
Mr. CHAN Fan Shing

The following changes to the Board composition were effected during 2024 and prior to the date of this report:

1. Mr. MA Dewei resigned as a Non-executive Director, effective from 27 March 2024;

2. Mr. CHEN Lang resigned as the Chairman, and also ceased to be the chairman of the Nomination Committee and an Authorised Representative. Mr. CHEN retains his role as a Non-executive Director, effective from 28 June 2024;

3. Mr. YAO Changlin, the Executive Director and the General Manager, and a member of each of the Remuneration Committee and the Executive Committee, has assumed the additional roles as the Chairman, the chairman of the Nomination Committee and an Authorised Representative, effective from 28 June 2024;

4. Mr. LIU Yun and Mr. ZHU Laibin resigned as Non-executive Directors, effective from 28 June 2024;

5. Mr. ZHANG Hongfei, Mr. ZHANG Mingrui and Mr. WU Lipeng were appointed as Non-executive Directors, effective from 28 June 2024. Mr. WU continues in his role as the chief financial officer of the Company; and

6. Ms. DONG Baoyun was appointed as a Non-executive Director, effective from 20 December 2024.

Mr. MA Dewei, Mr. LIU Yun and Mr. ZHU Laibin have confirmed that they have no disagreements with the Board and nothing relating to their resignations that needed to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. ZHANG Hongfei, Mr. ZHANG Mingrui, Mr. WU Lipeng and Ms. DONG Baoyun will hold office until the 2025 AGM pursuant to bye-law 83(2) of the Bye-laws and, being eligible, will offer themselves for re-election at the 2025 AGM. Mr. CHEN Lang and Mr. LAM Kin Ming, Lawrence will retire by rotation at the 2025 AGM pursuant to bye-laws 84(1) and 84(2) of the Bye-laws and, being eligible, will offer themselves for re-election. Details regarding the re-election are set out in the circular to Shareholders accompanying the notice of the 2025 AGM.

Directors' Report

The Non-executive Directors and Independent Non-executive Directors are appointed with specific terms. The Company has received written confirmation from all Independent Non-executive Directors affirming their independence under Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

Each Director's updated profile is set out in the section headed "Directors and Senior Management" of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2025 AGM has any service contract with any member of the Group that is not determinable by the Group within one year without compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

No Director had any material interest, either directly or indirectly, in any contract of significance to the Group's business to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during or at the end of the year ended 31 December 2024.

DIRECTORS' REMUNERATION

The Board is authorized by the Shareholders to fix the Directors' remuneration at general meetings. The Directors' emoluments are determined by the Board based on the recommendation by the Remuneration Committee with reference to their job complexity, workload, responsibilities and the Company's remuneration policy. Details of the Directors' remuneration for the year ended 31 December 2024 is set out in note 14 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors and officers are entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of the duties of their office or otherwise in relation thereto.

The Company has arranged Directors and Officers liability insurance for the Directors and officers of the Company and its subsidiaries, which was in effect throughout the year and remained in effect up to the date of this Annual Report.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register of interests of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Aggregate long position(s) in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Directors/ Chief Executive	Company/Name of associated corporations	Capacity	Number of issued ordinary shares held *(Note 1)*	Approximate percentage of the issued share capital
Mr. YAO Changlin	The Company	Beneficial owner	2,345,442	0.02% *(Note 2)*
Mr. LAM Kin Ming, Lawrence	The Company	Beneficial owner	6,000	0.00% *(Note 2)*
Mr. CHAN Fan Shing	The Company	Beneficial owner	136,758	0.00% *(Note 2)*

Notes:

1. Long positions in the shares of the Company or its associated corporations, other than equity derivatives such as share options, warrants or convertible bonds.

2. The percentages (rounded to 2 decimal places) were calculated based on the total number of Shares in issue as at 31 December 2024, i.e. 14,231,124,858 Shares.

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

Save as disclosed herein, at no time during the year ended or as at 31 December 2024 was the Company or any of the Company's subsidiaries or holding companies or any subsidiary of any of the Company's holding companies a party to any arrangement to enable the Directors or their respective associates to acquire benefits by an acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, the following persons (not being a Director or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Aggregate long position(s) in the Shares and underlying shares of the Company

Name of substantial Shareholders	Class of Shares	Number of Shares held	Approximate percentage of the issued share capital (Note 1)
COFCO Corporation	Shares	9,501,359,644 (L) (Note 2)	66.76%
	CPS	1,095,300,778 (L) (Note 3)	100%
COFCO (HK)	Shares	9,501,359,644 (L) (Note 2)	66.76%
	CPS	1,095,300,778 (L) (Note 3)	100%
Vibrant Oak	Shares	9,133,667,644 (L) (Note 2)	64.18%
Grandjoy Holdings Group	Shares	9,133,667,644 (L) (Note 2)	64.18%
Achieve Bloom	Shares	367,692,000 (L) (Note 2)	2.58%
	CPS	1,095,300,778 (L) (Note 3)	100%

Notes:

1. The percentages (rounded to 2 decimal places) of the Shares were calculated based on the total number of Shares in issue as at 31 December 2024, i.e. 14,231,124,858 Shares, and assuming that 1,095,300,778 CPS were not fully converted into 1,095,300,778 Shares. The percentages of CPS were calculated based on 1,095,300,778 CPS in issue as at 31 December 2024.

2. Vibrant Oak, through its non-wholly owned subsidiary, Grandjoy Holdings Group, was deemed to be interested in 9,133,667,644 Shares as at 31 December 2024. COFCO (HK), through its wholly-owned subsidiaries, Achieve Bloom and Vibrant Oak, and through its non-wholly owned subsidiary, Grandjoy Holdings Group, was deemed to be interested in 9,501,359,644 Shares as at 31 December 2024. COFCO Corporation, through its wholly-owned subsidiary, COFCO (HK), was deemed to be interested in 9,501,359,644 Shares as at 31 December 2024.

3. COFCO (HK), through its wholly-owned subsidiary, Achieve Bloom, was deemed to be interested in 1,095,300,778 CPS as at 31 December 2024. COFCO Corporation, through its wholly-owned subsidiary, COFCO (HK), was deemed to be interested in 1,095,300,778 CPS as at 31 December 2024.

L. Indicates a long position.

Save as disclosed herein, as at 31 December 2024, no other person (other than the Directors and chief executives of the Company) had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on publicly available information and to the knowledge of the Directors, 25% of the Company's total issued Shares (excluding the CPS) was held by the public as at the date of this Annual Report.

CONNECTED TRANSACTIONS (INCLUDING CONTINUING CONNECTED TRANSACTIONS)

Overview

Hereunder is the information in relation to connected transactions and continuing connected transactions that existed during the year ended 31 December 2024 which are required to be disclosed in this Annual Report in accordance with Chapter 14A of the Listing Rules, mainly comprising of transactions between the Company and the COFCO Group (which for the purpose of this section, includes the associates of COFCO Corporation).

The Connected Persons

COFCO Corporation is indirectly holding 66.76% of the issued share capital of the Company as at 31 December 2024 and is the controlling shareholder of the Company. COFCO Corporation, together with other members of the COFCO Group and their respective associates, will continue to be the Company's connected persons under Chapter 14A of the Listing Rules. COFCO Corporation is a state-owned enterprise incorporated in the PRC under the purview of SASAC. COFCO Corporation is engaged in a wide range of businesses through its subsidiaries including property development and management in the PRC and overseas, agricultural commodities trading, agricultural products cultivation and processing, processing of animal byproducts, food and beverages, dairy products and packaging materials, hotel management and provision of logistics and financial services in the PRC.

I. Connected Transaction

During the year, there were no disclosable connected transactions under the Listing Rules.

II. Continuing Connected Transactions

Set out below is a summary of the continuing connected transactions of the Company during the year ended 31 December 2024 (collectively, the "**Continuing Connected Transactions**"):

(a) Leasing of properties to the COFCO Group

(b) Provision of hotel and property management services by the COFCO Group to the Group

(c) Sourcing of staple supplies, catering services and other ancillary services from the COFCO Group

(d) Financial Services

Directors' Report

Details of Continuing Connected Transactions

(a) Leasing of properties to the COFCO Group

As at 31 December 2024, certain members of the Group entered into various lease agreements for the leasing of commercial premises to COFCO Group. These leased properties are generally occupied by relevant members of the COFCO Group as their headquarters, offices, sales offices or for other commercial uses.

The Company considers that the leasing of the commercial premises to the COFCO Group is conducted in the Company's ordinary and usual course of business based on the commercial needs of the Company and the COFCO Group. To better regulate the arrangements, the Company entered into the Master Lease Agreement on 29 November 2013, followed by four supplemental agreements on 3 November 2014, 21 December 2016, 30 December 2019 and 21 November 2022, respectively, to further extend its term to 31 December 2025, with COFCO Corporation to govern the terms of the lease arrangements between the Company and the COFCO Group.

The 2024 Annual Caps and the actual amounts for the rent and management fees payable under the Master Lease Agreement during the year are set out below:

Annual Caps (financial year ended 31 December 2024) (RMB'000)	Actual Amounts (financial year ended 31 December 2024) (RMB'000)
245,000	128,818

Pursuant to the Master Lease Agreement, the rent and management fees payable by the COFCO Group are subject to the general pricing terms as set out in the paragraph headed "Common terms of the Master Agreements" below, and are to be agreed between the relevant members of the Group and the COFCO Group having regard to the quality and nature of the relevant property, its location, neighborhood area and ancillary infrastructure facilities, and based on the rents payable under leases in the same building as those with tenants which are independent third parties and the prevailing market rents for similar premises in the vicinity of the relevant property.

Directors' Report

(b) Provision of hotel and property management services by the COFCO Group to the Group

During the year, certain members of the COFCO Group have also provided hotel and property management services to the hotel projects and property projects developed by the Group, which include but are not limited to the following:

Relevant member of the COFCO Group	Relevant member of the Group	Hotel and property management services provided to the Group
Grandjoy Holdings Group Property Management Co., Ltd.,* (大悅城控股集團物業服務有限公司) ("**Grandjoy Property Management**") Tianjin Joy City Branch	Joy City (Tianjin) Co., Ltd.* (大悅城(天津)有限公司)	Provision of property management services for Tianjin Nankai Joy City
Grandjoy Property Management Beijing Xidan Branch	Xidan Joy City Co., Ltd.* (西單大悅城有限公司)	Provision of property management services for Xidan Joy City
Grandjoy Property Management Jinan Branch	Jinan Joy City Co., Ltd.* (濟南大悅城產業發展有限公司)	Provision of property management services for Jinan COFCO Shine City
Grandjoy Property Management Qingdao Branch	Qingdao Joy City Property Development Co., Ltd.* (青島大悅城房產開發有限公司)	Provision of property management services for Qingdao Gold Sand • COFCO Shine City
Grandjoy Property Management Chongqing Branch	Chongqing Zeyue Co., Ltd.* (重慶澤悅實業有限公司)	Provision of property management services for Chongqing COFCO • Central Park Shine City
Grandjoy Property Management Shenyang Branch	Shenyang Joy City Real Estate Development Co., Ltd.* (瀋陽大悅城房產開發有限公司)	Provision of property management services for Shenyang Joy City

* English translations of the names are provided for ease of reference only and they are not official English names of the companies concerned.

The hotel and property management services provided by the COFCO Group to the Group include the following:

(a) hotel management services, including operating and managing restaurants, shops, recreational facilities and other facilities in the hotel premises, marketing services, catering services, setting and implementing policies and standards for use of hotel rooms, maintaining common area and public facilities, as well as other general property management services; and

(b) property management services, including maintenance, repair and management of building, cleaning services, security services, fire and safety services, environmental conservation, customer services, staff recruitment and training, preparing budgets, collecting rent from tenants and managing the leasing arrangements with tenants.

Directors' Report

The Annual Caps and the actual amounts for the service fees for the hotel and property management services payable by the Company pursuant to the Master Property Management Agreement during the year are set out below:

Annual Caps (financial year ended 31 December 2024) (RMB'000)	Actual amounts (financial year ended 31 December 2024) (RMB'000)
120,000	94,023

The Company considers that the Group will receive stable hotel and property management services with better quality from the COFCO Group. To better regulate the arrangements, the Company and COFCO Corporation entered into the Master Property Management Agreement on 29 November 2013, followed by four supplemental agreements on 3 November 2014, 21 December 2016, 30 December 2019 and 21 November 2022, respectively, to further extend its term to 31 December 2025, to govern the terms of the provision of hotel and property management services.

Pursuant to the Master Property Management Agreement, the service fees for the hotel and property management services are subject to the general pricing terms as set out in the paragraph headed "Common terms of Master Agreements" below. Detailed terms of the hotel and property management services received by the Group from the COFCO Group and the pricing terms shall be set out in the specific property management service contracts to be entered into between the relevant members of the Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Property Management Agreement.

The consideration to be paid by the members of the Group pursuant to the Master Property Management Agreement shall be agreed between the relevant members of the Group and the COFCO Group having regard to various factors such as the nature and scope of the services to be provided, the costs of providing such services and the market rate for similar services offered by other independent third party suppliers, or based on a prescribed fee schedule or charging rate as agreed between the relevant parties from time to time.

(c) Sourcing of staple supplies, catering services and other ancillary services from the COFCO Group

During the year, the Group has been sourcing certain staple supplies from the COFCO Group, including agricultural products, food, beverage, wine and confectionery, packaging materials and daily supplies such as oil, rice, sugar and tea, mainly used in the Group's ordinary business operations, the catering services provided in the hotels and other commercial properties operated by the Group and as the Group's staff benefits and corporate gifts to its customers and business partners. The COFCO Group also provides conference room facilities, accommodation, car parking lots and catering services to the Group for its general corporate uses, corporate events and promotional activities.

The Company considers that it will be beneficial to the Group to continue to source staple supplies and catering services from the COFCO Group as it will allow the Group to benefit from bulk purchase discounts and ensure a stable and reliable staple supply and provision of services which is crucial for its property and hotel business. To better regulate the arrangements, the Company entered into the Master Sourcing Agreement on 29 November 2013 with COFCO Corporation for the supply of staple supplies and catering services by the COFCO Group to the Group, followed by four supplemental agreements on 3 November 2014, 21 December 2016, 30 December 2019 and 21 November 2022, respectively, to further extend its term to 31 December 2025.

Directors' Report

The Annual Caps and the actual amounts for the purchase amounts for staple supplies and catering services payable by the Company pursuant to the Master Sourcing Agreement during the year are set out below:

Annual Caps (financial year ended 31 December 2024) (RMB'000)	Actual amounts (financial year ended 31 December 2024) (RMB'000)
28,000	13,038

Pursuant to the Master Sourcing Agreement, the prices for the staple supplies and catering services are subject to the general pricing terms as set out in the paragraph headed "Common Terms of the Master Agreements" below, and shall be agreed between the relevant members of the Group and the COFCO Group having regard to various factors such as the quantity and quality of the supplies and services, the market prices for the staple supplies and catering services, the prices offered by other independent third party suppliers and the procurement or manufacturing costs of the relevant members of the COFCO Group, or based on a prescribed fee schedule or purchase price as agreed between the relevant parties from time to time. Detailed terms of the provision of staple supplies and catering services and the pricing terms will be set out in the specific service contracts or confirmation orders to be entered into between the relevant members of the Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Sourcing Agreement.

Common Terms of the Master Agreements

Each of the Master Agreements is a framework agreement comprising the general terms and conditions upon which the Group and the COFCO Group are to carry out the particular type of Non-Exempt Continuing Connected Transaction contemplated thereunder. The common terms of the Master Agreements are set out below:

Term:	Each Master Agreement was approved by the Independent Shareholders at the SGM dated 18 December 2013, and has become effective from 19 December 2013 to 31 December 2016, and extended and supplemented by four supplemental agreements to further extend its term to 31 December 2025, which can be renewed on terms to be agreed upon between the Company and COFCO Corporation subject to compliance with the applicable provisions of the Listing Rules.
Framework agreement:	The Master Agreements are framework agreements which contain general terms and conditions upon which the Group and the COFCO Group are to carry out the particular type of transaction contemplated thereunder. Members of the Group and the COFCO Group may from time to time enter into specific agreements in respect of the leases, services and/or products to be provided or received by the Group, provided that the terms of such detailed agreements are not inconsistent with the terms of the relevant Master Agreement. The actual services and/or products to be provided or received by the Group are subject to such detailed agreements entered into between the relevant members of the Group and the COFCO Group from time to time during the terms of the Master Agreements.
Pricing basis:	The purchase amounts, rent and service fees payable under each of the Master Agreements by the Group or the COFCO Group (as the case may be) are to be agreed and determined on an arm's length basis between the relevant members of the Group and the COFCO Group from time to time, which shall be comparable to, or no less favourable to the Group than, the fair market rents or market prices for similar products and services offered by independent third parties to the Group or by the Group to independent third parties.

Directors' Report

The relevant member of the Group shall, before it enters into specific agreements in respect of the leases, services and/or products pursuant to the Master Agreements,

(a) when the price is the sole determining factor: (i) obtain quotations from not less than two independent third party suppliers of the same or similar products and/or services required by the Group; or (ii) request COFCO Group to provide it with not less than two records of same or similar products and/or services offered by it to other customers, and in such case the purchase amounts rent and service fees payable by the Group and other relevant conditions under the Master Agreements shall not be less favourable from the Group's perspective than those quotations or records (as the case may be); or

(b) when the price is one of the determining factors, conduct negotiations and, if necessary, obtain relevant quotation and/or pricing record to determine the overall terms of the transaction on an arm's length basis.

Termination: The Master Agreements may be terminated by either party giving the other party a written notice not less than 30 days before the intended date of termination.

(d) Financial Services

On 17 July 2020, the Company, COFCO Finance (a subsidiary of COFCO Corporation) and Joy City Commercial Management (Tianjin) Co., Ltd. (the "**Management Company**"), an indirect wholly-owned subsidiary of the Company, entered into the 2020 Financial Services Agreement, pursuant to which COFCO Finance agreed to provide financial services, including depository services and the entrustment loan services to the Management Company and the Group. The 2020 Financial Services Agreement shall remain in force for a term of three years from 31 August 2020 (i.e. the effective date of the agreement upon approval of the independent Shareholders of the relevant special general meeting).

On 31 March 2023, the Company, COFCO Finance and the Management Company entered into the 2023 Financial Services Agreements, based on the terms and conditions of the 2020 Financial Services Agreement to make arrangements in advance for the extension of the depository services and the entrustment loan services provided by COFCO Finance to the Group. The 2023 Financial Services Agreements shall remain in force for a term of three years from 7 June 2023 (i.e. the effective date of the agreement upon approval of the independent Shareholders of the relevant special general meeting).

COFCO Finance is a subsidiary of COFCO Corporation, an indirect controlling shareholder of the Company. Therefore, COFCO Finance is a connected person of the Company under the Listing Rules. The depository services and the entrustment loan services under the 2023 Financial Services Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

COFCO Finance is a non-banking financial institution subject to regulations by the PBOC and CBIRC, and is authorised to provide various kinds of financial services to the Group, including deposit taking and entrustment loan services. The main reasons for and benefits of the Arrangements are as follows: (i) the use of COFCO Finance as a vehicle through which the funds of the Group, including the Management Company, would allow a more efficient deployment of funds between subsidiaries of the Company; (ii) the Arrangements would allow the greater utilisation of available funds, utilise the collected funds to repay the external commercial loans of the subsidiaries of the Company and optimise the efficiency of the Group's funds; (iii) the Arrangements would promote liquidity among the Group, including the Management Company, enhance the overall ability of the Group to repay debts, and assist in monitoring and controlling financial risks; (iv) the Arrangements would save financial costs, thereby increasing the profitability of the Group and benefitting the Shareholders, including the minority Shareholders; (v) the Arrangements would allow a prompt and accurate monitoring and regulation of the application of funds of the Group including the Management Company; (vi) COFCO Finance was established in 2002 with a

Directors' Report

complete corporate structure, and its internal control mechanism is standardised. Since its incorporation, COFCO Finance's operation has been stable, financial performance has been excellent and no violation of any rules has occurred; (vii) COFCO Finance has well established operating networks with eight major domestic banks, namely the Industrial and Commercial Bank of China, China Construction Bank, Bank of China, Agricultural Bank of China, China Merchants Bank, Bank of Communications, China CITIC Bank and Agricultural Development Bank of China and such network has become the necessary and efficient channel of collecting the funds of the subsidiaries of the Company; (viii) COFCO Finance has comparatively strong financing ability through credit lines of not less than RMB7.5 billion arranged with such domestic banks; (ix) the Company believes that COFCO Finance may provide more diversified and flexible financial services to the Group compared with a single or a small number of third party commercial banks; and (x) the Company believes that the risk profile of COFCO Finance, as a financial services provider to the Group, is not greater than that of independent commercial banks in the PRC.

In respect of the depository services, the interest rates on RMB deposits placed by the subsidiaries of the Group and the Management Company at COFCO Finance will be determined with reference to the RMB benchmark deposit interest rates published by the PBOC and no less than the deposit interest rates offered by other financial institutions in the PRC based on similar terms. Pursuant to the 2020 Financial Services Agreement, the maximum daily balance of deposits (including the corresponding interests accrued thereon) to be placed and maintained by the Group with COFCO Finance shall not exceed RMB1,500 million (equivalent to approximately HK$1,663 million) on any day throughout the term of the 2020 Financial Services Agreement, which constitutes the annual caps for relevant financial years during the term of the 2020 Financial Services Agreement. Pursuant to the 2023 Financial Services Agreements, the maximum daily balance of deposits (including the corresponding interests accrued thereon) to be placed and maintained by the Group with COFCO Finance shall not exceed RMB2,500 million (equivalent to approximately HK$2,856 million) on any day throughout the term of the 2023 Financial Services Agreements, which constitutes the annual caps for relevant financial years during the term of the 2023 Financial Services Agreements.

In respect of the entrustment loan services, COFCO Finance will charge handling fees for the entrustment loan services provided to the Group. These fees are either equal to or more favorable than those charged by other independent financial institutions offering similar services. Pursuant to the 2020 Financial Services Agreement, the handling fees payable by the Group to COFCO Finance shall not exceed RMB5 million (equivalent to approximately HK$5.54 million) annually throughout the duration of the 2020 Financial Services Agreement. Pursuant to the 2023 Financial Services Agreements, the handling fees payable by the Group to COFCO Finance shall not exceed RMB3 million (equivalent to approximately HK$3.4 million) annually throughout the duration of the 2023 Financial Services Agreements.

For the year ended 31 December 2024, the actual maximum amount of daily deposit balance (including the interests accrued thereon) was approximately RMB2,485,000,000, while the annual handling fees charged by COFCO Finance for providing the entrusted loans to the Management Company was approximately RMB1,648,000.

Details of 2020 Financial Services Agreement were disclosed in the announcements of the Company dated 17 July 2020 and 31 August 2020 and the circular of the Company dated 10 August 2020. Details of 2023 Financial Services Agreements were disclosed in the announcements of the Company dated 31 March 2023 and 7 June 2023 and the circular of the Company dated 17 May 2023.

Directors' Report

CONFIRMATION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that all the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to their respective agreements governing them on the terms that are fair and reasonable and in the interests of the Shareholders as a whole.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

Pursuant to rule 14A.56 of the Listing Rules, the Board engaged SHINEWING (HK) CPA Limited, the Company's auditor, 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 in accordance with rule 14A.56 of the Listing Rules. Based on the work performed, the auditor has confirmed in its letter to the Board that nothing has come to its attention which causes it to believe that:

a. the Continuing Connected Transactions have not been approved by the Board;

b. the Continuing Connected Transactions were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

c. the Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

d. the aggregate amount of the Continuing Connected Transactions have exceeded the annual cap as set by the Company.

CONTRACT(S) OF SIGNIFICANCE

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this annual report which is or may be material:

(a) the equity transfer agreement dated 27 September 2023 entered into by Jetway Developments Limited (as vendor) and Shanghai Yongpeng Shiye Limited*(上海邕鵬實業有限公司)(as purchaser), an Independent Third Party, in relation to the disposal of the entire equity interest of Shanghai Top Glory Real Estate Development Co., Ltd.*(上海鵬利置業發展有限公司) at the total consideration of RMB4,142,392,338.41. For details, please refer to the circular of the Company dated 25 October 2023, as well as the announcements of the Company dated 28 July 2023, 27 September 2023 and 10 November 2023; and

(b) the equity transfer agreement dated 28 September 2023 entered into by Xidan Joy City Co., Ltd.*(西單大悦城有限公司)(as vendor) and China Post Life Insurance Company Limited(中郵人壽保險股份有限公司)(as purchaser), an Independent Third Party, in relation to the sale and purchase of the entire equity interest of Beijing Kunting Asset Management Company Limited*(北京昆庭資產管理有限公司)and related shareholder's loan at the total consideration of RMB4,255,847,036.76. For details, please refer to the circular of the Company dated 25 October 2023, as well as the announcements of the Company dated 31 August 2023, 28 September 2023 and 10 November 2023.

Directors' Report

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER OF THE COMPANY

The following disclosures are made in compliance with the disclosure requirements under Rule 13.21 of the Listing Rules.

– On 18 January 2018, the Company entered into a facility letter with Bank of China (Hong Kong) Limited in respect of (i) a term loan up to HKD700,000,000 or its equivalent amount in USD; (ii) a revolving loan up to HKD300,000,000 or its equivalent amount in USD; and (iii) a treasury credit limit of HKD60,000,000 (the "**Treasury Credit Limit**"). The term loan shall be repaid in full on the date falling three years from the date of first drawdown while the revolving loan shall be repaid or reborrowed at the end of each interest period or shall be repaid in full on demand. The term loan had been expired upon the maturity. On 4 December 2019, the Company entered into a facility letter for extension of the Treasury Credit Limit from HK$60,000,000 to HK$100,000,000. On 9 December 2020, the Company further entered into a supplemental facility letter with the bank for further extension of the Treasury Credit Limit from HK$100,000,000 to HK$400,000,000. Maximum tenor of each transaction under the Treasury Credit Limit shall not exceed five years. Details are set out in the announcements of the Company dated 18 January 2018, 4 December 2019 and 9 December 2020, respectively.

– On 4 December 2019, the Company entered into a facility letter with a bank whereby the banking facility of a revolving loan up to HKD400,000,000 or its equivalent amount in USD (the "**2019 Revolving Loan**"). The 2019 Revolving Loan shall be repaid or re-borrowed at the end of each interest period or shall be repaid in full on demand. Details of the 2019 Revolving Loan are set out in the announcement of the Company dated 4 December 2019.

– On 17 September 2021, the Company entered into a facility agreement with certain banks in respect of a US$600,000,000 equivalent multiple tranche term loan facility (the "**2021 Facility**"). The 2021 Facility has three tranches, Tranche A, Tranche B and Tranche C, in the respective amounts of US$100,000,000, US$200,000,000 and a US$300,000,000 or their equivalent amount in HKD. The final maturity date of the Tranche A and Tranche B shall be the date falling 36 months from the date of the facility agreement, and the Tranche C shall be the date falling 60 months from the date of the facility agreement. The Tranche A and Tranche B loan facilities had been expired upon the maturities. Details the 2021 Facility are set out in the announcement of the Company dated 17 September 2021.

– On 17 October 2022, Bapton, an indirect wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into a facility agreement with a group of financial institutions as lenders in respect of a multi tranche term loan facility of US$423,000,000 (the "**2022 Bapton Facility**"). The 2022 Bapton Facility has three tranches, Tranche A, Tranche B and Tranche C, in the respective amounts US$173,000,000, US$150,000,000 and a US$100,000,000. Tranche A has a tenor of 36 months commencing from the date of the facility agreement, and Tranche B and Tranche C each has a tenor of 60 months from the date of the facility agreement. Details of the 2022 Bapton Facility are set out in the announcement of the Company dated 17 October 2022.

– On 21 March 2023, the Company as borrower entered into a facility agreement with certain banks as lenders and a bank as the coordinator and agent whereby a three-year term loan facility of US$127,000,000 or its equivalent amount in HKD (the "**US$127M Facility**") would be made available by the lenders to the Company in up to four draw-downs. Details of the US$127M Facility are set out in the announcement of the Company dated 21 March 2023.

– On 2 June 2023, the Company entered into a facility letter with a bank in respect of an uncommitted revolving loan facility of up to US$54,000,000 or its equivalent amount in HKD (the "**US$54M Facility**"). The maturity of the US$54M Facility will be the date falling 12 months from the date of the facility letter. Details of the US$54M Facility are set out in the announcement of the Company dated 2 June 2023.

– On 31 July 2024, the Company entered into a facility agreement with certain banks in respect of a term facility in an aggregate amount of US$400,000,000 or its HKD equivalent (the "**US$400M Facility**"). The maturity of the US$400M Facility will be the date falling 36 months from the date of the facility agreement. Details of the US$400M Facility are set out in the announcement of the Company dated 31 July 2024.

Pursuant to the provision of the above facility agreements/letters, if COFCO Corporation, (a) ceases to be, directly or indirectly, the single largest Shareholder and loses the controlling power/the management controlling position of the Company, and/or (b) ceases to be majority owned or otherwise controlled by the SASAC of the PRC or China Central Government, then, each of the above would constitute an event of default upon which all or part of the each of the above facilities, together with accrued interest, and all other amounts accrued or outstanding shall be immediately due and payable.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year ended 31 December 2024.

Directors' Report

CONVERTIBLE SECURITIES, WARRANTS OR OPTIONS

On 19 December 2013, the Acquisition was completed and upon completion, the Company issued 1,095,300,778 CPS to Achieve Bloom as part of settlement of the consideration for the Acquisition. Currently, the Company has two classes of shares, being the ordinary shares and the CPS.

The major terms of the CPS are as follows:

Nominal value:	Non-redeemable convertible preference shares of HK$0.10 each created as a new class of shares in the share capital of the Company.
Conversion ratio:	The CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share.
Conversion rights:	Holders of the CPS will have the right to convert all or such number of CPS into Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.
Redemption:	The CPS shall be non-redeemable by the Company or their holders.
Dividend and distribution entitlement:	Each CPS shall confer on its holder the right to receive any dividend pari passu with holders of Shares on the basis of the number of Share(s) into which each CPS may be converted and on an as converted basis. The holders of the CPS shall have priority over the Shareholders on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, windingup or dissolution of the Company (but not on conversion of CPS or any repurchase by the Company of CPS or Shares).
Voting rights:	The holders of the CPS shall be entitled to receive notices of and to attend general meetings of the Company, but the CPS shall not confer on their holders the right to vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for the winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject.
Transferability:	The CPS (including the Conversion Shares once converted from the CPS) may be transferred by their holders without restriction.
Ranking:	Save as expressly provided in the Bye-laws and save and except for the voting rights and distribution entitlements upon liquidation, winding-up or dissolution of the Company, each CPS shall have the same rights as each of the Shares. The Conversion Shares will be issued as fully paid and rank pari passu in all respects with the Shares in issue as at the date of conversion.

Adjustment:	If and whenever the Shares are consolidated or sub-divided into a different nominal amount, then the same consolidation or subdivision shall be effected on the CPS, in which case the conversion ratio shall remain as one CPS for one Share (as consolidated or sub-divided, as the case may be).
Listing:	No listing has been sought for the CPS on the Stock Exchange or any other stock exchange. However, an application has been made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares, if any) of the Company. As at 31 December 2024, the Company did not hold any treasury shares.

NON-COMPETITION UNDERTAKING

Pursuant to the Non-Competition Undertaking, COFCO Corporation has undertaken in favour of the Company for itself and on behalf of its subsidiaries during the term of the Non-Competition Undertaking, COFCO Corporation shall not, and shall procure that none of its subsidiaries (excluding Grandjoy Holdings Group and its subsidiaries) shall, directly or indirectly, whether as principal or agent, and whether undertaken solely or jointly and whether through intermediate holding companies or otherwise, carry on, engage, invest, participate or otherwise be interested in any business or company which is directly or indirectly engaged in the Restricted Business in competition with the Group in the PRC and Hong Kong. After review of all relevant information on 31 December 2024, the Independent Board Committee considered that COFCO Corporation had complied with the Non-Competition Undertaking for the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company's principal corporate governance practices are set out in the Corporate Governance Report of this Annual Report.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in normal course of business are set out in note 48 to the consolidated financial statements. In relation to those related party transactions that constituted connected transactions under the Listing Rules, they have complied with applicable requirements in accordance with the Listing Rules.

CHARITABLE DONATIONS

Charitable donations made by the Group during the financial year amounted to RMB892,000 (2023: RMB2,200,000).

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of Shares.

Directors' Report

EQUITY-LINKED AGREEMENTS

Save as disclosed in respect of CPS above and in note 35 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year.

EVENTS AFTER THE END OF THE YEAR UNDER REVIEW

Save as disclosed in the Company's announcement of annual results for the year ended 31 December 2024 dated 27 March 2025 and this Annual Report, there was no other important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders after 31 December 2024 and up to the date of this report.

AUDIT COMMITTEE

The audited consolidated results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee. Information on the work of Audit Committee and its composition are set out in the Corporate Governance Report of this Annual Report.

AUDITOR

SHINEWING (HK) CPA Limited is the auditor of the Company and to hold office until the conclusion of the 2025 AGM. SHINEWING (HK) CPA Limited shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditor of the Company will be proposed for approval by Shareholders at the 2025 AGM.

ON BEHALF OF THE BOARD

YAO Changlin
Chairman

27 March 2025

Five Years Financial Summary

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Consolidated results revenue	**19,831,005**	13,272,094	20,831,357	12,313,297	14,109,832
(Loss)/profit for the year attributable to owners of the Company	**(293,824)**	340,027	530,773	591,666	1,104,533

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Consolidated assets and liabilities					
Total assets	**135,224,523**	143,619,078	140,003,492	131,020,391	124,167,334
Total liabilities	**79,827,247**	87,181,750	81,914,214	73,000,971	70,572,441
Total equity	**55,397,276**	56,437,328	58,089,278	58,019,420	53,594,893
Equity attributable to owners of the Company	**29,532,495**	29,916,364	29,924,332	29,858,111	29,447,710

Independent Auditor's Report

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF JOY CITY PROPERTY LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Joy City Property Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 84 to 219, 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 profit or loss and other 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 Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") 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 ("**HKSAs**") issued by 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 MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
We identified the valuation of investment properties as a key audit matter because the valuation process is based on the estimation of future results, a set of assumptions and a determination of key inputs, which are judgmental. Any changes to these inputs may have a significant impact on the fair value of the Group's investment properties. Management has determined the fair value of the Group's investment properties at 31 December 2024 with the assistance of an independent external valuer. Details of the investment properties are set out in Note 16 to the consolidated financial statements.	Our procedures in relation to management's valuation of investment properties included: • Understanding and evaluating the management's assessment process. • Evaluating the competence, capabilities and objectivity of the external valuer engaged by the management. • Obtaining a copy of valuation report prepared by the external valuer and discussing with the external valuer together with our internal valuation specialists to understand the basis of determination of valuation. • Challenging the external valuer the methodologies and judgments used in valuing the investment properties with the assistance of our internal valuation specialists and obtaining the market evidence that the external valuer used to support the key inputs. • Assessing the adequacy of the disclosures of the fair value measurement of investment properties including the fair value measurement hierarchy, the valuation technique and significant unobservable inputs in the consolidated financial statements.
Revenue from sales of properties	
We identified the revenue from sales of properties as a key audit matter due to the significance of the amount and volume of sales transactions recognised during the year. Details of revenue from sales of properties are set out in Note 5 to the consolidated financial statements.	Our procedures in relation to revenue from sales of properties included: • Understanding, documenting and testing key internal control over revenue recognition on sales of properties. • Selecting property sales transactions on a sampling basis and; • Reading the signed sales and purchase agreements to understand the relevant terms of the timing of property delivery and title transfer; • Obtaining evidence regarding the property delivery and title transfer; and • Reconciling the monetary amounts of recorded transactions and related payments to the signed sales and purchase agreements of properties sold.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include 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.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE 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 HKFRSs is used by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's 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 in adequate, 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 Group 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 those charged with governance 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 those charged with governance 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 applied safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for 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 Mr. Wong Chuen Fai.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589
Hong Kong
27 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	NOTES	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	5	**19,831,005**	13,272,094
Cost of sales and services rendered	10	**(14,191,649)**	(7,630,603)
Gross profit		**5,639,356**	5,641,491
Other income	6	**366,566**	454,529
Other gains and losses, net	7	**140,557**	867,086
Impairment losses under expected credit loss model, net of reversal	8	**(462,277)**	(974,289)
Distribution and selling costs		**(1,022,513)**	(861,985)
Administrative expenses		**(820,648)**	(911,327)
Fair value (loss)/gain on investment properties	16	**(146,840)**	85,473
Finance costs	9	**(1,382,330)**	(1,558,090)
Share of profits of associates	20	**13,165**	87,858
Share of profits of joint ventures	21	**218,933**	832,268
Profit before tax	10	**2,543,969**	3,663,014
Income tax expense	11	**(1,760,765)**	(2,243,388)
Profit for the year		**783,204**	1,419,626
(Loss)/profit for the year attributable to:			
Owners of the Company		**(293,824)**	340,027
Holders of perpetual capital instruments		**215,444**	294,326
Non-controlling interests	49	**861,584**	785,273
		783,204	1,419,626
Basic and diluted (loss)/earnings per share	13	**RMB(1.9) cents**	RMB2.2 cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	**783,204**	1,419,626
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation	**(144,394)**	(102,077)
Fair value loss on hedging instruments for cash flow hedges	**(127,846)**	(43,360)
Other comprehensive expense for the year, net of income tax	**(272,240)**	(145,437)
Total comprehensive income for the year	**510,964**	1,274,189
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	**(566,064)**	194,590
Holders of perpetual capital instruments	**215,444**	294,326
Non-controlling interests	**861,584**	785,273
	510,964	1,274,189

Consolidated Statement of Financial Position

As At 31 December 2024

		At 31 December	
	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Investment properties	16	**55,645,208**	56,949,328
Property, plant and equipment	17	**2,765,556**	2,893,040
Right-of-use assets	18	**1,450,670**	1,465,333
Intangible assets	19	**103,797**	106,919
Interests in associates	20	**3,675,206**	1,461,151
Interests in joint ventures	21	**6,894,190**	6,675,550
Loans to an associate	23	**372,062**	663,875
Loans to non-controlling interests	23	**834,060**	751,740
Amounts due from non-controlling interests	27	**18,493**	11,573
Financial assets at fair value through profit or loss		**510**	510
Goodwill		**184,297**	184,297
Deposits	26	**151,494**	158,329
Deferred tax assets	22	**356,800**	337,445
		72,452,343	71,659,090
CURRENT ASSETS			
Inventories		**13,469**	14,006
Properties held for sale	24(a)	**6,654,121**	5,152,062
Properties under development for sale	24(b)	**29,502,092**	38,915,341
Accounts receivable	25	**81,630**	114,448
Contract costs		**228,615**	266,239
Deposits, prepayments and other receivables	26	**3,564,157**	3,734,972
Amounts due from fellow subsidiaries	27	**18,245**	24,940
Amounts due from associates	27	**937,447**	906,228
Amounts due from joint ventures	27	**87,224**	542,596
Amounts due from non-controlling interests	27	**39,450**	26,162
Loans to associates	23	**1,554,553**	1,752,028
Loans to non-controlling interests	23	**342,373**	278,211
Tax recoverable		**556,539**	557,482
Hedging instruments		**3,982**	131,177
Derivative financial instruments		**–**	63,306
Restricted bank deposits	28	**65,744**	46,188
Pledged deposits	28	**2,410**	2,406
Cash and bank balances	28	**19,120,129**	19,432,196
		62,772,180	71,959,988
TOTAL ASSETS		**135,224,523**	143,619,078

Consolidated Statement of Financial Position

As At 31 December 2024

	NOTES	At 31 December 2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Accounts payable	29	**4,309,380**	5,437,282
Other payables and accruals	30	**6,463,911**	6,676,020
Contract liabilities	33	**14,484,718**	19,447,315
Lease liabilities		**65,703**	47,606
Amount due to the ultimate holding company	27	**4**	4
Amounts due to an intermediate holding company	27	**690**	611
Amounts due to fellow subsidiaries	27	**437,144**	210,763
Amounts due to associates	27	**644,347**	742,603
Amounts due to joint ventures	27	**146,027**	280,166
Amounts due to non-controlling interests	27	**342,296**	293,835
Loan from a fellow subsidiary	23	**165,332**	590,761
Loans from an associate	23	**258,334**	–
Loans from a joint venture		**2,250,000**	–
Loan from a third party	23	**1,200,000**	974,020
Bank borrowings	31	**4,465,332**	7,202,336
Income tax and land appreciation tax payables		**569,516**	1,378,735
Deferred income		**3,916**	1,794
Bonds payable	32	**1,881,164**	819,614
Derivative financial instruments		**–**	15,784
		37,687,814	44,119,249
NET CURRENT ASSETS		**25,084,366**	27,840,739
TOTAL ASSETS LESS CURRENT LIABILITIES		**97,536,709**	99,499,829
NON-CURRENT LIABILITIES			
Other payables and accruals	30	**571,994**	572,458
Lease liabilities		**256,634**	77,615
Amount due to a joint ventures	27	**58,800**	539,000
Loans from fellow subsidiaries	23	**60,131**	2,940
Loans from associates	23	**1,547,022**	248,934
Loans from a joint ventures	23	**3,574,800**	5,824,800
Loans from a non-controlling interest	23	**–**	94,856
Loans from a third party	23	**1,200,000**	6,924,780
Bank borrowings	31	**25,372,083**	18,347,571
Deferred tax liabilities	22	**7,299,423**	7,164,608
Bonds payable	32	**2,198,546**	3,264,939
		42,139,433	43,062,501
NET ASSETS		**55,397,276**	56,437,328

Consolidated Statement of Financial Position

As At 31 December 2024

	NOTES	At 31 December 2024 RMB'000	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	34	**1,122,414**	1,122,414
Reserves	36	**28,410,081**	28,793,950
Equity attributable to owners of the Company		**29,532,495**	29,916,364
Perpetual capital instruments	37	**5,179,771**	5,601,361
Non-controlling interests	49	**20,685,010**	20,919,603
TOTAL EQUITY		**55,397,276**	56,437,328

The consolidated financial statements on pages 84 to 219 were approved and authorised for issue by the Board of Directors on 27 March 2025 and are signed on its behalf by:

YAO Changlin	**CHEN Lang**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company													
	Ordinary share capital RMB'000 (Note (a)) (Note 34)	Share premium RMB'000 (Note (a))	Non-redeemable convertible RMB'000 (Note (a)) (Note 35)	Special reserve RMB'000 (Notes (a) and (e))	Other reserve RMB'000 (Note (b))	Capital reserve RMB'000 (Note (c))	Statutory reserve RMB'000 (Note (d))	Property revaluation RMB'000	Foreign currency translation RMB'000	Retained profits RMB'000	Sub-total RMB'000	Perpetual capital instruments RMB'000 (Note 37)	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	1,122,414	17,993,202	1,722,317	(20,801,408)	2,904,250	5,982,624	1,946,760	76,497	(644,483)	19,614,191	29,916,364	5,601,361	20,919,603	56,437,328
Profit for the year	-	-	-	-	-	-	-	-	-	(293,824)	(293,824)	215,444	861,584	783,204
Other comprehensive (expense)/income for the year	-	-	-	-	(127,846)	-	-	-	(144,394)	-	(272,240)	-	-	(272,240)
Total comprehensive (expense)/income for the year	-	-	-	-	(127,846)	-	-	-	(144,394)	(293,824)	(566,064)	215,444	861,584	510,964
Final 2023 dividend declared	-	-	-	-	-	-	-	-	-	(201,014)	(201,014)	-	-	(201,014)
Interest paid on perpetual capital instruments	-	-	-	-	-	-	-	-	-	-	-	(135,060)	-	(135,060)
Prepayment of perpetual capital instruments (Note f)	-	-	-	-	-	-	-	-	-	-	-	(1,901,974)	-	(1,901,974)
Issue of perpetual capital instruments	-	-	-	-	-	-	-	-	-	-	-	1,400,000	-	1,400,000
Statutory reserve appropriate	-	-	-	-	-	-	447,682	-	-	(447,682)	-	-	-	-
Acquisition of a non-controlling interest in a subsidiary	-	-	-	-	(6,308)	-	-	-	-	-	(6,308)	-	-	(6,308)
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(207,900)	(207,900)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(870,359)	(870,359)
Others	-	-	-	-	389,517	-	-	-	-	-	389,517	-	(17,918)	371,599
At 31 December 2024	1,122,414	17,993,202	1,722,317	(20,801,408)	3,159,613	5,982,624	2,394,442	76,497	(788,877)	18,671,671	29,532,495	5,179,771	20,685,010	55,397,276

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company													
	Ordinary share capital RMB'000 (Note (a)) (Note 34)	Share premium RMB'000 (Note (a))	Non-redeemable convertible RMB'000 (Note (a)) (Note 35)	Special reserve RMB'000 (Notes (a) and (e))	Other reserve RMB'000 (Note (b))	Capital reserve RMB'000 (Note (c))	Statutory reserve RMB'000 (Note (d))	Property revaluation RMB'000	Foreign currency translation RMB'000	Retained profits RMB'000	Sub-total RMB'000	Perpetual capital instruments RMB'000 (Note 37)	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023	1,122,414	17,993,202	1,722,317	(20,801,408)	2,983,080	5,982,624	1,565,701	76,497	(542,406)	19,822,311	29,924,332	7,245,471	20,919,475	58,089,278
Profit for the year	–	–	–	–	–	–	–	–	–	340,027	340,027	294,326	785,273	1,419,626
Other comprehensive (expense)/income for the year	–	–	–	–	(43,360)	–	–	–	(102,077)	–	(145,437)	–	–	(145,437)
Total comprehensive (expense)/income for the year	–	–	–	–	(43,360)	–	–	–	(102,077)	340,027	194,590	294,326	785,273	1,274,189
Final 2022 dividend declared	–	–	–	–	–	–	–	–	–	(166,942)	(166,942)	–	–	(166,942)
Interest paid on perpetual capital instruments	–	–	–	–	–	–	–	–	–	–	–	(520,178)	–	(520,178)
Prepayment of perpetual capital instruments (Note f)	–	–	–	–	–	–	–	–	–	–	–	(2,918,258)	–	(2,918,258)
Issue of perpetual capital instruments	–	–	–	–	–	–	–	–	–	–	–	1,500,000	–	1,500,000
Statutory reserve appropriate	–	–	–	–	–	–	381,059	–	–	(381,059)	–	–	–	–
Capital injection by non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	539,312	539,312
Capital reduction to a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	(1,001,382)	(1,001,382)
Dividend declared to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(323,075)	(323,075)
Others	–	–	–	–	(35,470)	–	–	–	–	(146)	(35,616)	–	–	(35,616)
At 31 December 2023	1,122,414	17,993,202	1,722,317	(20,801,408)	2,904,250	5,982,624	1,946,760	76,497	(644,483)	19,614,191	29,916,364	5,601,361	20,919,603	56,437,328

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Notes:

(a) Issued equity comprises ordinary share capital of Joy City Property Limited (the "**Company**"), share premium, non-redeemable convertible preference shares ("**CPS**") and special reserve.

(b) Other reserve mainly included (i) balances arising from merger accounting for business combinations involving entities under common control of RMB288,561,000 in 2012 and RMB2,617,690,000 in 2013 and offset with obligation arising from a put option to non-controlling shareholder of RMB336,470,000 in 2018, (ii) differences between cash considerations paid for the acquisition of additional interests in certain subsidiaries and the carrying amounts of the net assets attributable to the acquired interests from the non-controlling shareholders in prior years and (iii) the exchange difference arising from payment on distribution of perpetual capital instruments.

The Put Option was forgone without further extension by mutual agreement between Golden Prominent Limited and the non-controlling shareholder on 31 January 2024 (the "**Expiry date**"). Hence, the carrying amount of the Put Option amounted to RMB389,517,000 was credited to other reserve on the Expiry date upon derecognition.

(c) Capital reserve mainly included capital contribution from COFCO Corporation, the ultimate holding company of the Company, of which included capital contribution of RMB4,208,294,000 to a subsidiary of the Company during the year ended 31 December 2012.

During 2016, the Group (see definition in Note 1) disposed of 49% of its equity interests in Fortune Set Limited ("**Fortune Set**"), Sunny Ease Limited ("**Sunny Ease**") and Vivid Star Limited ("**Vivid Star**") respectively, resulting in reducing its equity interests in these three subsidiaries to 51%. The proceeds on disposal of RMB9,443,143,000 were received in cash. An amount of RMB7,802,203,000 (being the proportionate share of the carrying amount of net assets of these three subsidiaries, respectively) has been transferred to non-controlling interests. The difference of RMB1,640,940,000 between the increase in the non-controlling interests and the consideration received has been adjusted to capital reserve of the Group. During the year ended 31 December 2022, the Group incurred additional income tax of approximately RMB157,605,000 in relation to the disposal and adjusted to the capital reserve of the Group, the additional income tax was settled during the year ended 31 December 2023.

(d) The amount mainly represents statutory reserve of the companies registered in the People's Republic of China (the "**PRC**"). According to the relevant laws in the PRC, companies established in the PRC are required to transfer their net profit after tax, as determined under the relevant accounting principles and financial regulations applicable to enterprises established in the PRC, to a non-distributable reserve fund before the distribution of a dividend to equity owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

(e) On 19 December 2013, a very substantial acquisition, connected transaction and reverse takeover involving a new listing application of the Company was completed. The Company acquired from COFCO Land Limited ("**COFCO Land**"), a fellow subsidiary, the equity interests in certain subsidiaries of COFCO Land (collectively "**COFCO Land Subsidiaries**") and the shareholder's loan of HK$3,329 million (equivalent to approximately RMB2,618 million) which were outstanding and owing by certain of the COFCO Land Subsidiaries to COFCO Land immediately before the completion of the acquisition of the COFCO Land Subsidiaries (together with the acquisition of the COFCO Land Subsidiaries), by the allotment and issue of 5,988,199,222 ordinary shares of the Company at the issue price of HK$2.00 each and 1,095,300,778 new CPS of the Company at the issue price of HK$2.00 each to Achieve Bloom Limited, the then immediate holding company of the Company, and COFCO Land ("**Reverse Takeover Transaction**"). Special reserve at the reporting date included balances arising on the Reverse Takeover Transaction completed in December 2013 of RMB11,138,521,000.

(f) The Group repaid perpetual capital instruments with principal amount of RMB1,901,974,000 (2023: RMB2,918,258,000) during the current year.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	**2,543,969**	3,663,014
Adjustments for:		
Finance costs	**1,382,330**	1,558,090
Interest income	**(280,651)**	(403,033)
Share of profits of associates	**(13,165)**	(87,858)
Share of profits of joint ventures	**(218,933)**	(832,268)
Amortisation of intangible assets	**9,017**	10,382
Depreciation of right-of-use assets	**68,207**	68,964
Depreciation of property, plant and equipment	**200,907**	190,839
Fair value loss/(gain) on investment properties	**146,840**	(85,473)
Recognition of impairment loss on accounts receivable, net	**6,327**	7,814
(Reversal)/recognition of impairment loss on other receivables, net	**(3,814)**	6,407
Recognition of impairment loss on loans to associates	**399,659**	933,798
Recognition of impairment loss on loans to non-controlling interests	**4,438**	–
Recognition of impairment loss on amounts due from associates	**9,430**	–
Recognition of impairment loss on amount due from fellow subsidiaries	**6,448**	1,431
Recognition of impairment loss on amount due from joint ventures	**40,226**	193
(Reversal)/recognition of impairment loss on amounts due from non-controlling interests	**(437)**	24,646
Exchange (gain)/loss, net	**(30,391)**	475,490
Impairment loss on properties held for sale	**365,175**	130,890
Impairment loss on properties under development for sale	**320,991**	734,204
Loss on disposal of property, plant and equipment, net	**12,925**	3,126
Gain on disposal of subsidiaries, net	**(618,784)**	(1,644,899)
Operating cash flows before movements in working capital	**4,350,714**	4,755,757

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Decrease in inventories	**537**	660
Decrease in properties held for sale	**13,389,187**	6,237,176
Increase in properties under development for sale	**(6,161,567)**	(7,571,762)
Increase in accounts receivable	**(8,858)**	(6,964)
(Decrease)/increase in contract costs	**37,624**	(180,721)
Decrease in deposits paid	**6,835**	324
Increase in deposits, prepayments and other receivables	**(228,452)**	(538,425)
Decrease/(increase) in amounts due from fellow subsidiaries	**247**	(30,628)
Increase in amounts due from associates	**(4,804)**	(162,491)
Decrease in amounts due from joint ventures	**439,796**	–
(Increase)/decrease in amounts due from non-controlling interests	**(46,352)**	31,692
Decrease in amounts due to non-controlling interests	**(13,670)**	(86,627)
Decrease in accounts payable	**(1,127,902)**	(667,031)
(Decrease)/increase in contract liabilities	**(4,959,888)**	8,261,462
Increase/(decrease) in other payables and accruals	**83,193**	(519,802)
Decrease in rental deposits received	**(50)**	(31,734)
(Increase)/decrease in restricted bank deposits	**(19,556)**	38,704
Increase in amounts due to fellow subsidiaries	**45,081**	46,760
Increase in deferred income	**2,122**	243
Interest received	**238,043**	222,881
Cash generated from operations	**6,022,280**	9,799,474
PRC Enterprise Income Tax and Hong Kong Profits Tax paid	**(1,383,051)**	(1,434,552)
Land Appreciation Tax paid	**(362,129)**	(444,359)
NET CASH FROM OPERATING ACTIVITIES	**4,277,100**	7,920,563

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(65,107)**	(66,199)
Payments for right-of-use assets/leasehold land and land use rights	**(59,481)**	(3,572)
Payments for intangible assets	**(6,185)**	(7,888)
Payments for investment properties	**(1,271,944)**	(1,398,710)
Proceeds on disposal of property, plant and equipment	**4,501**	4,097
Proceeds on disposal of investment properties	**–**	5,277
Capital injection to associates	**(912,712)**	(622,810)
Proceeds from repayment of loans to associates	**60,000**	106,000
Loan to non-controlling interests	**(180,320)**	(882,951)
Repayment of loan to non-controlling interests	**29,400**	995,000
Net cash outflow on acquisition of a subsidiary	**–**	(1,195,798)
Net cash inflow from disposal of subsidiaries	**1,718,777**	7,378,584
Proceeds on shareholder's loan	**–**	807,000
Decrease in amounts due from non-controlling interests	**130,185**	38,101
Decrease in amounts due from joint ventures	**–**	270
Decrease in amounts due from associates	**–**	2,507
Decrease in receivables from non-controlling interests	**336,629**	–
Capital reduction on investment in an associate	**41,022**	–
(Increase)/decrease in pledged deposits	**(4)**	2,996
Proceeds on reduction of investment cost in a joint venture	**–**	154
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	**(175,239)**	5,162,058

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Year ended 31 December 2024 RMB'000	2023 RMB'000
FINANCING ACTIVITIES		
Interest paid	**(1,463,039)**	(1,582,966)
Repayment of perpetual capital instruments	**(1,901,974)**	(2,939,708)
Repayment of bonds payable	**(700,000)**	(900,000)
Issuance of perpetual capital instruments	**1,400,000**	1,500,000
Issuance of bonds	**700,000**	1,000,000
Interest paid on perpetual capital instruments	**(135,060)**	(520,178)
Interest paid on bonds payable	**(137,026)**	(132,217)
Repayments of amount due to non-controlling interest	**(6,556)**	(330,316)
Proceeds from bank borrowings	**14,191,842**	8,712,554
Repayments of bank borrowings	**(10,125,960)**	(11,542,931)
Loans from fellow subsidiaries	**–**	2,940
Repayments of loans from fellow subsidiaries	**(373,000)**	(702,500)
Payments of leases liabilities	**(36,443)**	(89,262)
Repayments to joint ventures	**(539,560)**	(220,305)
Repayment to associates	**(109,872)**	(98,453)
Advance from an associate	**11,615**	329,926
Repayments to fellow subsidiaries	**(55,963)**	(23,108)
Repayments of loans from non-controlling interests	**(94,856)**	(2,560,031)
Loan from an associate	**1,590,722**	689,934
Loans from joint ventures	**–**	250,000
Repayment of loan from third parties	**(5,498,800)**	(25,560)
Repayment of loan from an associate	**(34,300)**	(441,000)
Dividends paid	**(201,014)**	(166,942)
Dividends paid to non-controlling interests	**(900,079)**	(295,241)
Contribution from non-controlling interests	**–**	539,312
Payment of capital reduction to a non-controlling interest	**–**	(1,001,382)
NET CASH USED IN FINANCING ACTIVITIES	**(4,419,323)**	(10,547,434)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(317,462)**	2,535,187
Cash and cash equivalents at beginning of year	**19,432,196**	16,895,367
Effects of exchange rate changes on the balance of cash and bank balances held in foreign currencies	**5,395**	1,642
CASH AND CASH EQUIVALENTS AT END OF YEAR	**19,120,129**	19,432,196
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and bank balances	**17,520,129**	15,732,196
Non-pledged time deposits	**1,600,000**	3,700,000
Cash and bank balances as stated in the consolidated statement of financial position	**19,120,129**	19,432,196

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

Joy City Property Limited (the "**Company**") was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal activities of the Company and its subsidiaries (the "**Group**") are principally investment holding, property investment and development and hotel operations.

The immediate holding company of the Company, Grandjoy Holdings Group Co., Ltd ("**Grandjoy Holdings Group**"), a company established in the People's Republic of China (the "**PRC**") with its A shares listed on the Shenzhen Stock Exchange. In the opinion of the directors of the Company (the "**Directors**"), the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The consolidated financial statements are presented in Renminbi ("**RMB**"), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

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

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 periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases ("**HKFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account 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.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Material Accounting Policy Information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's returns.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments ("**HKFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting*.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits, respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low-value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at the acquisition date. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. All impairment loss recognised for goodwill is not reversed in subsequent period.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investment properties

Investment properties are properties held to earn rentals and for capital appreciation (including properties under development for such purpose). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

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

Construction costs incurred for investment properties under development are capitalised as part of the carrying amount of the investment properties under construction.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Investment properties (continued)

Investment properties are transferred to inventories when and only when there is evidence that substantiates the change in use, including the commencement of development with a view to sale.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year in which the property is derecognised.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as sewage-treatment plant and Canal Cultural Center) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority.

The Group receives a right to charge users of public service, which is classified as intangible assets in the consolidated statement of financial position. The amortisation approach should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interest in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties under development/held for sale

Properties under development which are intended to be sold upon completion of development and properties held for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development/properties held for sale are carried 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.Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. For a transfer from investment property carried at fair value to properties held for sale, the property's deemed cost for subsequent accounting is its fair value at the date of change in use.

Properties under development for sale are transferred to properties held for sale upon completion.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Properties under development/held for sale (continued)

The Group transfers a property from inventories to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Investments in associates and joint ventures

An associate is an entity over which the Group 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 joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joints ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the year in which the investment is acquired.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Investments in associates and joint ventures (continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Impairment on property, plant and equipment, intangible assets, right-of-use assets and contract costs other than goodwill

At the end of reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Impairment on property, plant and equipment, intangible assets, right-of-use assets and contract costs other than goodwill (continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15 *Revenue from Contracts with Customers* ("**HKFRS 15**"), the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amount exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivable arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as other income.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of application of HKFRS 9/ initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including accounts receivable excluded lease receivables, loans to and amounts due from ultimate holding company, fellow subsidiaries, non-controlling interests, joint ventures and associates, deposits and other receivables, restricted bank deposits, pledged deposits, cash and bank balances), and other items (lease receivables included in accounts receivable, and financial guarantee contracts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivable and lease receivables. The ECL on these assets are assessed individually for debtors with significant balances or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as default or past due event;
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

The Group has measured ECL at the individual instrument level for loan to/amount due from related parties and non-controlling interests, and the credit-impaired financial assets. For collective assessment, where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in profit or loss.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities of the Group including accounts and other payables, amounts due to/loans from holding companies, fellow subsidiaries, an associate, joint ventures, non-controlling interests and third parties, bank borrowings and bonds payable are subsequently measured at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at fair value. It is subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Obligation arising from a put option on shares of a subsidiary written to non-controlling shareholders

The gross financial liability arising from the put option written to non-controlling shareholders, is recognised when contractual obligation to repurchase the shares in a subsidiary is established even if the obligation is conditional on the counterparty exercising a right to sell back the shares to the Group. The liability for the share redemption amount is initially recognised and measured at present value of the estimated repurchase price with the corresponding debit to other reserve. In subsequent periods, the remeasurement of the present value of the estimated gross obligation under the written put option to the non-controlling shareholders is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Notes to the Consolidated Financial Statements

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses, net’ line item.

For the purpose of reclassifying the amount of gains and losses accumulated in the cash flow hedge reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Financial instruments (continued)

Hedge accounting (continued)

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of equipment, furniture and fixtures and motor vehicles 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 lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within "investment properties", "properties under development for sale", and "properties held for sale" respectively.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

The Group as a lessor

Classification and measurement of leases

The Group enters into lease agreements as a lessor all the respect to investment property. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Leases (continued)

The Group as a lessor (continued)

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only.

Right of use asset and lease liability are subsequently measured in accordance with the general requirements under HKFRS 16 Leases. In measuring the lease liability, the Group determines "lease payments" or "revised lease payments" (including both lease payments that are fixed or variable) in a way that the Group would not recognise any amount of the gain or loss that relates to the right of use assets retained by the Group.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the year in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provision

Provision are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and in further exclude items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with general principle above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, for provisions for decommissioning and restoration in which the tax deductions are attributable to ultimate costs incurred, the Group applies HKAS 12 requirements to the lease liabilities, the provisions for decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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 taxation authority and the Group intends to settle current tax liabilities and assess on net basis.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Revenue from contracts with customers (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

Contract costs

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Revenue from contracts with customers (continued)

Contract costs (continued)

Incremental costs of obtaining a contract (continued)

The Group incurs costs including labour costs, utility expenses, materials and consumables and others to fulfil its contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognised an asset for these costs only if they meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. The retirement benefits scheme contributions, amounting to RMB75,126,000 (2023: RMB88,900,000) have been charged to profit or loss for the year and included in employee costs as set out in Note 10.

The employees of the Group in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The Group's PRC companies are required to contribute certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material Accounting Policy Information (continued)

Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Deferred tax on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties located in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred tax on investment properties located in Hong Kong, the Directors have determined with the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on disposal of its investment properties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgments in applying accounting policies (continued)

Deferred tax on investment properties (continued)

With regards to the Group's investment properties located in Mainland China, the Directors considered that they are held under a business model whose objective is to consume substantially all of the economic benefits embodied in these investment properties over time. Therefore, the Directors have determined with the presumption that the carrying amounts of investment properties located in Mainland China measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group recognised deferred taxes on changes in fair value of the Group's investment properties located in Mainland China on the basis that the entire carrying amounts of these properties are recovered through use.

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it did not transfer substantially all the significant risks and rewards of ownership of these properties which are leased out through operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows substantially independent from the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group will account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each 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 from the end of each reporting period.

Valuation of investment properties

Investment properties are measured at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the Directors have exercised their judgments and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss would be recognised in profit or loss. The fair value of investment properties at 31 December 2024 was RMB55,645,208,000 (2023: RMB56,949,328,000), details are set out in Note 16.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Land appreciation tax ("LAT")

Certain subsidiaries of the Group are subject to LAT in the Mainland China. However, the implementation of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their LAT calculations with the local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the LAT 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 expense and the related income tax provisions in the period in which such tax is finalised with local tax authorities.

Impairment on properties held for sale/properties under development for sale

Impairment on properties held for sale/properties under development for sale is made based on the assessment of net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, and the amount of the properties are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period. Significant management estimates are required in the estimates. Where the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying amounts of properties held for sale/properties under development for sale and the amount of impairment loss/write-back of impairment loss in the periods in which such estimates have been changed.

The aggregate carrying amount of properties held for sale as at 31 December 2024 was RMB6,654,121,000 (2023: RMB5,152,062,000). The aggregate carrying amount of properties under development for sale as at 31 December 2024 was RMB29,502,092,000 (2023: RMB38,915,341,000).

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the year.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker ("**CODM**"), for the purpose of resource allocation and performance assessment.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

An analysis of the Group's revenue, which is also turnover of the Group, for the year is as follows:

	Year ended 31 December 2024 RMB'000	Year ended 31 December 2023 RMB'000
Property investment and development:		
Rental income from investment properties and related services	**4,176,186**	4,359,321
Sales of properties held for sale	**14,544,851**	7,705,374
Output management project	**175,579**	169,489
Other service income	**65,584**	68,160
	18,962,200	12,302,344
Hotel operations	**868,805**	969,750
Total revenue	**19,831,005**	13,272,094
Revenue from contract with customers	**16,333,992**	9,538,667
Leases	**3,497,013**	3,733,427
Total revenue	**19,831,005**	13,272,094

(i) Disaggregation revenue from contracts with customers

For the year ended 31 December 2024

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
Revenue from contracts with customers	679,173	14,544,851	868,805	175,579	65,584	16,333,992
Geographical markets						
Mainland China	661,700	14,544,851	868,805	132,017	59,697	16,267,070
Hong Kong	17,473	–	–	43,562	5,887	66,922
	679,173	14,544,851	868,805	175,579	65,584	16,333,992
Timing of revenue recognition						
A point in time	–	14,544,851	219,253	–	–	14,764,104
Over time	679,173	–	649,552	175,579	65,584	1,569,888
	679,173	14,544,851	868,805	175,579	65,584	16,333,992

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For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

(i) Disaggregation revenue from contracts with customers (continued)

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
Revenue from contracts with customers						
External customers	**679,173**	**14,544,851**	**868,805**	**175,579**	**65,584**	**16,333,992**
Inter-segment	**263,407**	**–**	**27**	**123,514**	**70,891**	**457,839**
Total	**942,580**	**14,544,851**	**868,832**	**299,093**	**136,475**	**16,791,831**
Rental revenue	**3,497,013**	**–**	**–**	**–**	**–**	**3,497,013**
Inter-segment elimination	**(263,407)**	**–**	**(27)**	**(123,514)**	**(70,891)**	**(457,839)**
Revenue disclosed in segment information	**4,176,186**	**14,544,851**	**868,805**	**175,579**	**65,584**	**19,831,005**

For the year ended 31 December 2023

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
Revenue from contracts with customers	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Geographical markets						
Mainland China	608,947	7,705,374	969,750	126,046	65,126	9,475,243
Hong Kong	16,947	–	–	43,443	3,034	63,424
Total	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Timing of revenue recognition						
A point in time	–	7,705,374	227,771	–	–	7,933,145
Over time	625,894	–	741,979	169,489	68,160	1,605,522
	625,894	7,705,374	969,750	169,489	68,160	9,538,667

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

(i) Disaggregation revenue from contracts with customers (continued)

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
Revenue from contracts with customers						
External customers	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Inter-segment	180,636	–	17	194,872	126,765	502,290
Total	806,530	7,705,374	969,767	364,361	194,925	10,040,957
Rental revenue	3,733,427	–	–	–	–	3,733,427
Inter-segment elimination	(180,636)	–	(17)	(194,872)	(126,765)	(502,290)
Revenue disclosed in segment information	4,359,321	7,705,374	969,750	169,489	68,160	13,272,094

(ii) Performance obligations for contract with customers

Development and sales of properties (revenue recognised at a point in time)

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Directors concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 20% ~ 100% (2023: 20% ~100%) of the contract value as deposits from customers when they sign the sale and purchase agreement. This will give rise to contract liabilities until the completed property is transferred to the customers. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

The Group assesses the advance payment by contract whether it may contain significant financing component. If the effects of the financing component will materially change the amount of revenue at a contract level, accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the party receiving financing in the contract. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

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For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Performance obligations for contract with customers (continued)

Development and sales of properties (revenue recognised at a point in time) (continued)

The Directors apply the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Property management related services, hotel room operation and other services

Revenue relating to the property management related services, hotel room operation and other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or at a point in time when the customer obtains control of the distinct good or service, as appropriate.

(iii) 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 at 31 December 2024 and 2023, and the expected timing of recognising revenue are as follows:

	Sales of properties Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Within one year	**13,408,819**	14,816,236
More than one year	**1,055,853**	5,679,695
	14,464,672	20,495,931

All the property management related services, hotel room operation and other services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Total revenue arising from operating lease		
Lease payments that are fixed or linked to the performance of lessees	**3,497,013**	3,733,427

Notes to the Consolidated Financial Statements

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and segment results

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

Year ended 31 December 2024

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Segment total RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Segment revenue								
External customers	4,176,186	14,544,851	868,805	175,579	65,584	19,831,005	–	19,831,005
Inter-segment revenue	263,407	–	27	123,514	70,891	457,839	(457,839)	–
Consolidated	4,439,593	14,544,851	868,832	299,093	136,475	20,288,844	(457,839)	19,831,005
Segment results	3,098,227	690,570	40,805	221,551	51,031	4,102,184	–	4,102,184
Unallocated corporate income and other gains								309,231
Unallocated corporate expenses and other losses								(263,898)
Finance costs								(1,382,330)
Share of profits of associates								13,165
Share of profits of joint ventures								218,933
Impairment loss recognised on loans to associates								(399,659)
Impairment loss recognised loans to non-controlling interests								(4,438)
Impairment loss recognised on amounts due from associates								(9,430)
Impairment loss recognised on amount due from a joint venture								(40,226)
Reversal of impairment loss on amount due from a non-controlling interest								437
Profit before tax as presented in consolidated statement of profit or loss								2,543,969

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and segment results (continued)

Year ended 31 December 2023

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Segment total RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Segment revenue								
External customers	4,359,321	7,705,374	969,750	169,489	68,160	13,272,094	–	13,272,094
Inter-segment revenue	180,636	–	17	194,872	126,765	502,290	(502,290)	–
Consolidated	4,539,957	7,705,374	969,767	364,361	194,925	13,774,384	(502,290)	13,272,094
Segment results	2,698,218	339,314	58,187	284,454	38,171	3,418,344	–	3,418,344
Unallocated corporate income and other gains								2,146,836
Unallocated corporate expenses and other losses								(305,565)
Finance costs								(1,558,090)
Share of profits of associates								87,858
Share of profits of joint ventures								832,268
Impairment loss recognised on loans to associates								(933,798)
Impairment loss recognised on amount due from a joint venture								(193)
Impairment loss recognised on amount due from a non-controlling interest								(24,646)
Profit before tax as presented in consolidated statement of profit or loss								3,663,014

Inter-segment revenue was charged at prices agreed between group entities, which have no material differences as compared to the prices provided to the third parties.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represent the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, certain other gains and losses, certain administrative expenses, finance costs, share of profits/losses of associates and joint ventures, impairment loss recognised on loans to associates and non-controlling interests, and amounts due from an associate, a joint venture and a non-controlling interest. The above is the measure reported to the Executive Director for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Executive Directors for the purposes of resource allocation and performance assessment.

Geographical information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Mainland China	**19,702,768**	13,150,501
Hong Kong	**128,237**	121,593
	19,831,005	13,272,094

Information about the Group's non-current assets by location is detailed below.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Mainland China	**68,114,602**	67,035,941
Hong Kong	**2,420,025**	2,515,380
	70,534,627	69,551,321

Non-current assets exclude goodwill, deferred tax assets, financial instruments and deposits under non-current assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (continued)

Other information

Amounts regularly provided to the CODM (included in the measure of segment profit or loss or segment assets) are as follows:

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Total RMB'000
Year ended 31 December 2024						
Impairment loss recognised/(reversed) under expected credit loss model, net	**8,645**	**(532)**	**(652)**	**319**	**1,181**	**8,961**
Depreciation of property, plant and equipment	**15,551**	**3,161**	**172,055**	**799**	**9,341**	**200,907**
Depreciation of right-of-use assets	**8,288**	**3,009**	**55,845**	**5,389**	**(4,324)**	**68,207**
Loss on disposal of property, plant and equipment, net	**9,600**	**147**	**2,867**	**1**	**310**	**12,925**
Impairment loss on properties held for sale	**–**	**365,175**	**–**	**–**	**–**	**365,175**
Impairment loss on properties under development for sales	**–**	**320,991**	**–**	**–**	**–**	**320,991**
Year ended 31 December 2023						
Impairment loss recognised under expected credit loss model, net	5,843	7,195	8	1,403	1,203	15,652
Depreciation of property, plant and equipment	18,688	3,663	158,177	859	9,452	190,839
Depreciation of right-of-use assets	8,780	1,013	57,872	439	860	68,964
Loss/(gain) on disposal of property, plant and equipment, net	2,941	411	(29)	166	(363)	3,126
Impairment loss on properties held for sale	–	130,890	–	–	–	130,890
Impairment loss on properties under development for sales	–	734,204	–	–	–	734,204

Information about major customers

No individual customer contributed over 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Interest income from:		
Banks	**206,069**	191,545
A non-banking financial institution*	**31,974**	31,336
Loans to joint ventures	**–**	191
Loans to associates	**–**	153,294
Loan to non-controlling interests	**42,608**	26,667
Government grants (Note)	**84,128**	44,311
Others	**1,787**	7,185
	366,566	454,529

* The non-banking financial institution is COFCO Finance Corporation Limited ("**COFCO Finance**"), a fellow subsidiary of the Group.

Note: Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.

7. OTHER GAINS AND LOSSES, NET

	2024 RMB'000	2023 RMB'000
Loss on disposal of property, plant and equipment, net	**(12,925)**	(3,126)
Impairment loss on properties held for sale	**(365,175)**	(130,890)
Impairment loss on properties under development for sale	**(320,991)**	(734,204)
Gain on disposal of subsidiaries	**618,784**	1,644,899
Exchange gain, net	**42,723**	62,028
Others	**178,141**	28,379
	140,557	867,086

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2024 **RMB'000**	2023 RMB'000
Impairment loss recognised		
– accounts receivable	**6,327**	7,814
– other receivables	**(3,814)**	6,407
– loans to associates	**399,659**	933,798
– loans to non-controlling interests	**4,438**	–
– amounts due from fellow subsidiaries	**6,448**	1,431
– amounts due from associates	**9,430**	–
– amounts due from joint ventures	**40,226**	193
– amounts due from non-controlling interests	**(437)**	24,646
	462,277	974,289

9. FINANCE COSTS

	2024 **RMB'000**	2023 RMB'000
Interest on:		
Bank borrowings	**1,145,555**	1,159,495
Loans from a non-banking financial institution	**3,678**	25,501
Loans from other fellow subsidiaries	**15,164**	14,632
Loan from an associate	**9,897**	9,940
Loan from a joint venture	**137,762**	219,525
Loan from non-controlling interests	**1,738**	36,175
Loans from third parties	**268,295**	389,261
Bonds payable	**132,844**	137,320
Lease liabilities	**19,319**	8,251
Others	**53,092**	39,334
Total interest expenses	**1,787,344**	2,039,434
Less: Interest capitalised:		
Investment properties under development (Note 16)	**(11,124)**	(77,709)
Properties under development for sale (Note 24(b))	**(393,890)**	(403,635)
	(405,014)	(481,344)
	1,382,330	1,558,090

Borrowing costs capitalised to investment properties under development and properties under development for sale were based on actual borrowing costs incurred.

Borrowing costs were capitalised at rates ranging from 2.5% to 6.05% (2023: 2.35% to 6.91%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. PROFIT BEFORE TAX

	2024 RMB'000	2023 RMB'000
Profit before tax has been arrived at after charging/(crediting):		
Directors' emoluments (Note 14)	**4,976**	3,647
Depreciation and amortisation:		
Amortisation:		
– Intangible assets (included in cost of sales)	**4,682**	5,114
– Intangible assets (included in administrative expenses)	**3,733**	4,513
– Intangible assets (included in distribution and selling costs)	**602**	755
Depreciation of right-of-use assets	**68,207**	68,964
Depreciation of property, plant and equipment	**200,907**	190,839
Total depreciation and amortisation	**278,131**	270,185
Cost of sales and services rendered:		
Cost of properties sold	**12,464,832**	5,859,523
Direct operating expenses arising from investment properties that generated rental income	**1,003,469**	999,931
Direct operating expenses arising from provision of property management and other property related services	**79,257**	76,984
Direct operating expenses from hotel services provided	**644,091**	694,165
	14,191,649	7,630,603
Employee benefits expense (including directors' emoluments (Note 14)):		
Salaries, allowances and other benefits	**856,451**	1,050,336
Retirement benefit scheme contributions	**75,126**	88,900
	931,577	1,139,236
Less: Capitalised in properties under development for sale and investment properties under development	**(84,330)**	(156,210)
	847,247	983,026
Advertising and promotion expenses (included in distribution and selling costs)	**252,604**	224,361
Auditors' remuneration	**2,250**	2,250

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax:		
PRC Enterprise Income Tax	**1,103,490**	1,613,207
PRC Dividend Withholding Tax	**6,853**	60,635
LAT	**152,954**	182,893
Hong Kong Profits Tax	**20,984**	30,267
	1,284,281	1,887,002
(Over)/Under provision in prior years:		
PRC Enterprise Income Tax	**18,099**	11,338
LAT	**(159,605)**	–
	(141,506)	11,338
Deferred tax (Note 22)	**617,990**	345,048
Total	**1,760,765**	2,243,388

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The subsidiaries in Mainland China are subject to PRC Enterprise Income Tax ("**EIT**") at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The law of the PRC on EIT provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

Pursuant to the rules and regulations of the British Virgin Islands, Bermuda and Samoa, the Group is not subject to any income tax in the British Virgin Islands, Bermuda and Samoa.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	2024 RMB'000	2023 RMB'000
Profit before tax	**2,543,969**	3,663,014
Tax at PRC EIT rate of 25% (2023: 25%)*	**635,992**	915,754
Lower tax rates for entities of the Group operating in other jurisdictions	**65,304**	233,026
PRC LAT	**(6,651)**	182,893
Tax effect of PRC LAT	**1,663**	(45,723)
Tax effect of expenses not deductible for tax purpose	**671,718**	570,662
Tax effect of income not taxable for tax purpose	**(1,471)**	(41,005)
Tax effect of tax losses not recognised	**151,765**	98,602
Tax effect of unrecognised deductible temporary difference	**163,176**	217,785
Tax effect of utilisation of tax losses/deductible temporary difference not previously recognised	**(35,171)**	(3,970)
Tax effect of share of (profits)/losses of associates	**(3,291)**	(22,540)
Tax effect of share of (profits)/losses of joint ventures	**(11,483)**	3,143
Effect of withholding tax on undistributed profits	**103,287**	112,201
Under provision of current taxation in prior years	**18,099**	11,338
Others	**7,828**	11,222
Income tax expense for the year	**1,760,765**	2,243,388

* The PRC EIT rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based.

12. DIVIDENDS

Final dividend and special dividend in respect of the year ended 31 December 2023 of HK0.72 cents and HK0.72 cents per ordinary share has been proposed by the Directors on 28 March 2024 and was approved by the shareholders at the annual general meeting conducted on 13 June 2024 (the "**2023 Dividend**"). Pursuant to the approval of the shareholders, 2023 Dividend of approximately HK$205 million or RMB183 million and HK$16 million or RMB14 million were distributed to the ordinary shareholders and holders of the CPS respectively during the year ended 31 December 2024.

The Board of Directors does not declare any final dividend for the year ended 31 December 2024.

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13. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic earnings per share		
((Loss)/Profit for the year attributable to owners of the Company)	**(293,824)**	340,027

	Year ended 31 December	
	2024	2023
Number of shares ('000)		
For the purpose of basic loss/earnings per share:		
Number of ordinary shares	**14,231,125**	14,231,125
Number of non-redeemable convertible preference shares (Note 35)	**1,095,301**	1,095,301
Number of shares for the purpose of basic earnings per share	**15,326,426**	15,326,426

The number of shares used for the purpose of calculating basic (loss)/earnings per share for the years ended 31 December 2024 and 2023 were calculated on the basis of the number of the ordinary shares of the Company and CPS in issue during the years.

The calculation of the diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023 does not assume the exercise of the written put option on shares of a subsidiary as the dilution effect is not considered material.

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14. DIRECTORS' EMOLUMENTS

	Directors' fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonus RMB'000	Retirement benefits scheme contribution RMB'000	Total RMB'000
2024					
Executive directors					
Mr. YAO Changlin ("**Mr. YAO**")	–	961	799	173	1,933
Non-executive directors					
Mr. CHEN Lang	–	–	–	–	–
Mr. WU Lipeng ("**Mr. WU**") (appointed on 28 June 2024)	–	500	785	116	1,401
Mr. ZHANG Mingrui (appointed on 28 June 2024)	–	458	–	86	544
Mr. ZHANG Hongfei (appointed on 28 June 2024)	–	–	–	–	–
Ms. DONG Baoyun (appointed on 20 December 2024)	–	–	–	–	–
Mr. MA Dewei (resigned on 27 March 2024)	–	–	–	–	–
Mr. LIU Yun (resigned on 28 June 2024)	–	–	–	–	–
Mr. ZHU Laibin (resigned on 28 June 2024)	–	–	–	–	–
Independent non-executive directors					
Mr. LAU Hon Chuen, Ambrose	366	–	–	–	366
Mr. LAM Kin Ming, Lawrence	366	–	–	–	366
Mr. CHAN Fan Shing	366	–	–	–	366
Total	1,098	1,919	1,584	375	4,976

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. DIRECTORS' EMOLUMENTS (continued)

	Directors' fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
2023					
Executive directors					
Mr. YAO	–	80	–	11	91
Mr. CAO Ronggen ("**Mr. CAO**") (resigned on 11 December 2023)	–	952	1,159	164	2,275
Non-executive directors					
Mr. CHEN Lang	–	–	–	–	–
Mr. MA Dewei	–	–	–	–	–
Mr. LIU Yun	–	–	–	–	–
Mr. ZHU Laibin	–	–	–	–	–
Independent non-executive directors					
Mr. LAU Hon Chuen, Ambrose	427	–	–	–	427
Mr. LAM Kin Ming, Lawrence	427	–	–	–	427
Mr. CHAN Fan Shing	427	–	–	–	427
Total	1,281	1,032	1,159	175	3,647

None of the Directors has waived or agreed to waive any emoluments paid by Group for the years ended 31 December 2023 and 2024. No emoluments were paid by the Group to any of the Directors as an incentive payment for joining the Group or as compensation for loss of office during both year.

The independent non-executive directors' emoluments shown above were mainly for their services as Directors.

During the year ended 31 December 2024, Mr. WU received remuneration amounted to RMB419,000 as senior management of the Company before appointed as director on 28 June 2024. Subsequently, Mr. WU received remuneration amounted to RMB1,401,000 as director up to 31 December 2024. As a result, Mr. WU received remuneration amounted RMB1,820,000 in aggregate and included in the five highest paid employees set out in Note 15.

During the year ended 31 December 2023, Mr. YAO received remuneration amounted to RMB1,945,000 as senior management of the Company before appointed as director on 11 December 2023. Subsequently, Mr. YAO received remuneration amounted to RMB91,000 as director up to 31 December 2023. As a result, Mr. YAO received remuneration amounted RMB2,036,000 in aggregate and included in the five highest paid employees set out in Note 15.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

15. EMPLOYEE'S EMOLUMENTS

The five highest paid employees of the Group during the year included two directors (2023: two), details of whose remuneration are set out in Note 14 above. Details of the remuneration for the year of the remaining three (2023: three) individuals are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, allowances and other benefits	**4,606**	5,829
Retirement benefit scheme contributions	**566**	570
	5,172	6,399

The emoluments of the above individuals fell within the following bands:

	Year ended 31 December	
	2024	2023
	Number of individuals	
HK$1,000,001 – HK$1,500,000	**1**	–
HK$2,000,001 – HK$2,500,000	**2**	2
HK$2,500,001 – HK$3,000,000	**–**	1
	3	3

Save as disclosed above, the Directors confirm that no inducement to join the Group, compensation for loss of any office in connection with the management of the affairs of any member of the Group has been made to the five highest paid individuals during the year ended 31 December 2024 and 2023.

16. INVESTMENT PROPERTIES

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 20 year (2023: 1 to 25 years), with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend. The leases of retail stores contain variable lease payment that are based on 1% to 40% (2023: 1% to 40%) sales and minimum annual lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

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16. INVESTMENT PROPERTIES (continued)

	Completed investment properties RMB'000	Investment properties under development RMB'000	Total RMB'000
Fair value			
At 1 January 2023	59,691,147	3,464,699	63,155,846
Additions on subsequent expenditure	29,368	1,325,934	1,355,302
Disposal	(5,277)	–	(5,277)
Disposal of subsidiaries	(7,769,000)	–	(7,769,000)
Addition of leased investment properties	3,962	–	3,962
Transfer from construction in progress upon completion	1,802,442	(1,802,442)	–
Transfer from property, plant and equipment	8,064	–	8,064
Interest capitalised (Note 9)	–	76,831	76,831
Change in fair value recognised in profit or loss	64,996	20,477	85,473
Exchange realignment	38,127	–	38,127
At 31 December 2023	53,863,829	3,085,499	56,949,328
Additions on subsequent expenditure	**255,415**	**1,155,298**	**1,410,713**
Disposal	**(10,463)**	**–**	**(10,463)**
Disposal of subsidiaries	**(3,042,900)**	**–**	**(3,042,900)**
Addition of leased investment properties	**216,839**	**–**	**216,839**
Transfer from construction in progress upon completion	**2,484,633**	**(2,484,633)**	**–**
Transfer from properties held for sale	**229,004**	**–**	**229,004**
Transfer to property, plant and equipment	**(24,890)**	**–**	**(24,890)**
Interest capitalised (Note 9)	**–**	**11,124**	**11,124**
Change in fair value recognised in profit or loss	**(138,552)**	**(8,288)**	**(146,840)**
Exchange realignment	**53,293**	**–**	**53,293**
At 31 December 2024	**53,886,208**	**1,759,000**	**55,645,208**
Unrealised (loss)/gain on property revaluation included in profit or loss			
During the year ended 31 December 2024	**(138,552)**	**(8,288)**	**(146,840)**
During the year ended 31 December 2023	64,996	20,477	85,473

All of the Group's property interests held for operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

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16. INVESTMENT PROPERTIES (continued)

Details of the Group's completed investment properties and investment properties under development as at 31 December 2024 and 31 December 2023 were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Commercial properties located in Hong Kong	**2,416,326**	2,508,730
Commercial properties located in Mainland China	**53,228,882**	54,440,598
	55,645,208	56,949,328

At 31 December 2024, the Group's investment properties with an aggregate carrying amount of RMB22,631,509,000 (2023: RMB22,043,176,000) were pledged to secure banking facilities granted to the Group (Note 41).

At 31 December 2024, building ownership certificates in respect of investment properties of the Group with an aggregate carrying amount of RMB2,463,696,000 (2023: RMB3,234,709,000) had not been issued by the relevant PRC authorities.

Fair value measurement of the Group's investment properties

In estimating the fair value of the investment properties, the Directors use market observable data to the extent it is available. The Directors work closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

The fair value of the Group's completed investment properties and investment properties under development in Hong Kong and Mainland China at 31 December 2024 and 2023 has been arrived at on the basis of a valuation carried out by Cushman & Wakefield and Savills Real Estate Valuation (Guangzhou) Ltd., independent qualified professional valuers which are not connected with the Group.

For completed investment properties, the valuations were arrived at by making reference to the comparable market transactions as available in the market and where appropriate, by valuing the properties on the basis of capitalisation of the rental income derived from the existing tenancy agreements with due allowance for the reversionary income potential of the properties.

For investment properties under development, the valuations were arrived at using the residual method. Residual method is essentially a means of valuing the project by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed in accordance with the existing development plans as at the date of valuation, which duly reflected the risk associated with the development.

There has been no change in the valuation techniques during the current year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The amount of the change in fair value recognised in profit or loss was mainly related to investment properties held at the end of each reporting period.

The fair values of the Group's investment properties at 31 December 2024 and 2023 are all grouped into Level 3 of fair value measurement. There were no transfers into or out of Level 3 during the both years.

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16. INVESTMENT PROPERTIES (continued)

Fair value measurement of the Group's investment properties (continued)

The following table gives information about how the fair values of the Group's major investment properties as at 31 December 2024 and 2023 are determined. The significant unobservable inputs included (i) capitalisation rate, which taking into account of the capitalisation of rental income potential, nature of the property and prevailing market condition; and (ii) monthly unit rent, which using direct market comparable and taking into account of time, location and individual factors such as road frontage, size of property and facilities. A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A slight increase in the market rent used would result in a significant increase in fair value, and vice versa.

	Significant unobservable inputs			
Major investment properties of the Group	**Capitalisation rate**		**Monthly unit rent (sq.m/month)**	
	2024	2023	**2024 RMB'000**	2023 RMB'000
Completed investment properties				
Beijing COFCO Plaza				
– office	**5.3%**	6.0%	**336 to 442**	336 to 442
– shop	**4.5%**	5.0%	**49 to 407**	46 to 381
COFCO Tower, Hong Kong				
– office	**3.3%**	3.1%	**368 to 417**	367 to 416
– shop	**3.7%**	3.5%	**809**	823
Xidan Joy City				
– office	**5.8%**	6.0%	**321 to 417**	326 to 360
– shop	**6.5%**	6.5%	**340 to 1,600**	475 to 1,614
Chaoyang Joy City – shop	**6.5%**	6.5%	**44 to 763**	52 to 768
Tianjin Joy City – shop	**7.0%**	7.0%	**58 to 526**	55 to 475
Shanghai Jing'an Joy City – shop				
– South Tower	**6.5%**	6.5%	**115 to 748**	116 to 752
– North Tower	**6.5%**	6.5%	**336 to 840**	201 to 840
Shenyang Joy City – shop	**7.0%**	7.0%	**61 to 381**	68 to 384
Chengdu Joy City – shop	**6.0%**	4.5%	**94 to 209**	95 to 312

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17. PROPERTY, PLANT AND EQUIPMENT

	Office properties RMB'000	Office improvements RMB'000	Hotel properties RMB'000	Equipment furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Costs:							
At 1 January 2023	604,748	42,907	3,583,582	1,270,905	73,757	–	5,575,899
Additions	1,473	3,283	1,239	24,576	166	–	30,737
Disposals	(435)	–	(5,858)	(25,005)	(3,675)	–	(34,973)
Disposals of subsidiaries	(22,558)	–	–	(27,321)	(826)	–	(50,705)
Transfer to Investment properties	(10,200)	–	–	–	–	–	(10,200)
Others	–	–	–	81	(81)	–	–
Exchange realignment	–	–	–	611	–	–	611
At 31 December 2023	**573,028**	**46,190**	**3,578,963**	**1,243,847**	**69,341**	**–**	**5,511,369**
Additions	**9,322**	**13,371**	**4,341**	**14,752**	**9,971**	**425**	**52,182**
Disposals	**–**	**–**	**(6,264)**	**(121,660)**	**(3,339)**	**–**	**(131,263)**
Transfer from Investment properties	**32,643**	**–**	**–**	**–**	**–**	**–**	**32,643**
Exchange realignment	**–**	**–**	**–**	**1,148**	**–**	**–**	**1,148**
At 31 December 2024	**614,993**	**59,561**	**3,577,040**	**1,138,087**	**75,973**	**425**	**5,466,079**
Accumulated depreciation:							
At 1 January 2023	183,541	23,211	1,145,695	1,006,273	72,620	–	2,431,340
Charge for the year	33,088	11,150	95,740	50,861	–	–	190,839
Eliminated on disposals	(319)	–	(5,530)	(21,469)	(3,558)	–	(30,876)
Disposal of subsidiaries	(2,724)	–	–	(22,269)	(595)	–	(25,588)
Transfer to Investment properties	(2,136)	–	–	–	–	–	(2,136)
Other	–	–	(1,365)	1,440	(75)	–	–
Exchange realignment	–	–	–	(871)	–	–	(871)
At 31 December 2023	**211,450**	**34,361**	**1,234,540**	**1,013,965**	**68,392**	**–**	**2,562,708**
Charge for the year	**32,738**	**9,640**	**99,327**	**48,697**	**10,505**	**–**	**200,907**
Eliminated on disposals	**–**	**–**	**(5,937)**	**(117,773)**	**(3,728)**	**–**	**(127,438)**
Transfer from Investment properties	**7,753**	**–**	**–**	**–**	**–**	**–**	**7,753**
Other	**–**	**(944)**	**–**	**944**	**–**	**–**	**–**
Exchange realignment	**–**	**–**	**–**	**972**	**–**	**–**	**972**
At 31 December 2024	**251,941**	**43,057**	**1,327,930**	**946,805**	**75,169**	**–**	**2,644,902**
Accumulated impairment:							
At 1 January 2023	52,235	–	–	3,386	–	–	55,621
Charge of the year	–	–	–	–	–	–	–
At 31 December 2023	52,235	–	–	3,386	–	–	55,621
Charge of the year	–	–	–	–	–	–	–
At 31 December 2024	52,235	–	–	3,386	–	–	55,621
Net carrying amounts:							
At 31 December 2024	**310,817**	**16,504**	**2,249,110**	**187,896**	**804**	**425**	**2,765,556**
At 31 December 2023	309,343	11,829	2,344,423	226,496	949	–	2,893,040

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, less their estimated residual value, if any, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Office properties	1.8% to 10%
Office improvement	Over the shorter of the term of the lease, and 10% to 25%
Hotel properties	2.5% to 10%
Equipment, furniture and fixtures and motor vehicles	5% to 20%

At 31 December 2024, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB1,255,117,000 (2023: RMB2,033,699,000) were pledged to secure banking facilities granted to the Group and a loan from non-controlling interest (Note 41).

At 31 December 2024, building ownership certificates in respect of certain office properties and hotel properties of the Group in Mainland China with an aggregate net carrying amount of approximately RMB125,953,000 (2023: RMB134,673,000) had not been issued by the relevant PRC authorities.

Details of the Group's office properties and hotel properties as at 31 December 2024 and 2023 were as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Located in Mainland China	**2,559,842**	2,653,366
Located in Hong Kong	**85**	400
	2,559,927	2,653,766

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18. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
Costs:			
At 1 January 2023	2,000,923	60,701	2,061,624
Additions	–	3,572	3,572
Early termination of lease contracts	–	(13,759)	(13,759)
Disposal of subsidiaries	–	(4,256)	(4,256)
At 31 December 2023	2,000,923	46,258	2,047,181
Additions	3,232	56,249	59,481
Early termination of lease contracts	–	(21,829)	(21,829)
At 31 December 2024	2,004,155	80,678	2,084,833
Accumulated depreciation:			
At 1 January 2023	**495,389**	**35,356**	**530,745**
Charge for the year	**59,856**	**9,108**	**68,964**
Early termination of lease contracts	**–**	**(13,605)**	**(13,605)**
Disposal of subsidiaries	**–**	**(4,256)**	**(4,256)**
At 31 December 2023	**555,245**	**26,603**	**581,848**
Charge for the year	**60,208**	**7,999**	**68,207**
Early termination of lease contracts	**–**	**(15,892)**	**(15,892)**
At 31 December 2024	**615,453**	**18,710**	**634,163**
Net carrying amounts recognised for the year:			
At 31 December 2024	**1,388,702**	**61,968**	**1,450,670**
At 31 December 2023	1,445,678	19,655	1,465,333

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Expense relating to short-term leases	**17,099**	17,158
Total cash outflow for leases	**113,023**	106,420
Additions to right-of-use assets	**59,481**	3,572

At 31 December 2024, certain of the Group's right of use assets with a net carrying amounts of approximately RMB1,094,510,000 (2023: RMB1,224,527,000) were pledged to secure banking facilities granted to the Group (Note 41).

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18. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases various offices and retail stores for its operations. Lease contracts are entered into for fixed term of 2 years to 10 years. The Group's right of use assets are depreciated on a straight-line basis at the rates ranging from 10% to 50% per annum. Lease terms are negotiated on an individual basis 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 definition of a contract and determines the period for which the contract is enforceable.

19. INTANGIBLE ASSETS

	RMB'000
Costs:	
At 1 January 2023	211,555
Additions	7,888
Disposal	(419)
Disposal of subsidiaries	(4,121)
At 31 December 2023	**214,903**
Additions	**6,185**
Disposal	**(4,512)**
Disposal of subsidiaries	**(34)**
Exchange realignment	**123**
At 31 December 2024	**216,665**
Accumulated amortisation:	
At 1 January 2023	101,609
Amortisation provided during the year	10,382
Eliminated on disposal	(419)
Eliminated on disposal of subsidiaries	(3,588)
At 31 December 2023	**107,984**
Amortisation provided during the year	**9,017**
Eliminated on disposal	**(4,271)**
Eliminated on disposal of subsidiaries	**(34)**
Exchange realignment	**172**
At 31 December 2024	**112,868**
Net carrying amounts:	
At 31 December 2024	**103,797**
At 31 December 2023	106,919

Intangible assets represent computer software and project concession rights. Computer software are stated at cost less any impairment losses and amortised on the straight-line basis over their estimated useful life of 5 years. Project concession rights in Sanya and Hangzhou were completed and amortised in 2019 over their estimated useful life of 30 years and 28 years respectively.

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20. INTERESTS IN ASSOCIATES

	At 31 December 2024 RMB'000	2023 RMB'000
Cost of investments, unlisted	**4,031,861**	1,830,971
Share of post-acquisition results and other comprehensive income	**(356,655)**	(369,820)
	3,675,206	1,461,151

Company name	Place of establishment/ incorporation	Place of operation	Proportion of ownership interest and proportion of voting rights held by the Group At 31 December 2024	2023	Principal activity
Beijing Xinrun Zhiyuan Real Estate Co., Ltd. ("**Xinrun Zhiyuan**")	PRC	Beijing PRC	**20%**	20%	Property development
Kunming Luosiwan Guoyue Real Estate Co., Ltd. ("**Kunming Luosiwan**")	PRC	Kunming PRC	**30%**	30%	Property development
Fancy Merit Ltd.	Hong Kong	Qingdao PRC	**49%**	49%	Property development
Beijing Hengliang Yuetong Real Estate Development Co., Ltd. ("**Beijing Hengliang**")	PRC	Beijing PRC	**49%**	49%	Property development
Hangzhou Zhaoyue Enterprise Management Co., Ltd ("**Hangzhou Zhaoyue**")	PRC	Zhejiang PRC	**30.5%**	30.5%	Property development
CAMC-Joy City Shopping Mall Close-end Infrastructure Securities Investment Fund ("**GJOY REIT**") (Note 47) (Note (a))	PRC	Chengdu PRC	**40%**	–	Property investments for rental income

Note (a): During the year ended 31 December 2024, the Company disposed the entire equity interest of Chengdu Boyue Commercial Management Co., Limited, an indirect wholly owned subsidiary, to GJOY REIT under a Spin-off transactions. Upon the completion of the Spin-off, the Group subscribed 40% of the total units of the GJOY REIT with a consideration of RMB1,329,200,000, the investment is classified as interests in associates. Please refer to Note 47 for details of this transaction.

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20. INTERESTS IN ASSOCIATES (continued)

The summarised financial information in respect of each of the associates that is material to the Group and are accounted for using equity method is set out below:

GJOY REIT

	At 31 December 2024 RMB'000
Current assets	358,343
Non-current assets	3,247,000
Current liabilities	(156,591)
Non-current liabilities	(37,236)
Net assets	3,411,516

	Year ended 31 December RMB'000
Revenue	105,376
Profit for the year	88,516
Other comprehensive income for the year	–
Total comprehensive income for the year	88,516
Dividends received from the associate during the year	–

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate is set out below:

	At 31 December 2024 RMB'000
Net assets of the associate	3,411,516
Proportion of the Group's ownership in GJOY REIT	40%
Carrying amount of the Group's ownership interest in GJOY REIT	1,364,606

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20. INTERESTS IN ASSOCIATES (continued)

The summarised financial information in respect of each of the associates that is material to the Group and are accounted for using equity method is set out below: (Continued)

Hangzhou Zhaoyue

	At 31 December	
	2024 RMB'000	2023 RMB'000
Current assets	**14,659,895**	5,606,108
Non-current assets	**1,032**	1,009
Current liabilities	**(9,863,660)**	(3,568,105)
Non-current liabilities	**(10)**	(10)
	4,797,257	2,039,002
Net assets of the Group's interests	**4,797,785**	2,039,030
Non-controlling interests	**(528)**	(28)
	4,797,257	2,039,002

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Revenue	**1,911**	–
Loss for the year	**(100,247)**	(2,997)
Other comprehensive income for the year	**–**	–
Total comprehensive expense for the year	**(100,247)**	(2,997)
Dividends received from the associate during the year	**–**	–

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate is set out below:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Net assets of the associate	**4,797,785**	2,039,030
Proportion of the Group's ownership in Hangzhou Zhaoyue	**30.5%**	30.5%
Carrying amount of the Group's ownership interest in Hangzhou Zhaoyue	**1,463,324**	621,904

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20. INTERESTS IN ASSOCIATES (continued)

Aggregate information of associates that are not individually material

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
The Group's share of profit	**8,029**	88,763

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of the Group's interests in these associates	**847,276**	839,247

21. INTERESTS IN JOINT VENTURES

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Cost of investments, unlisted	**6,054,485**	6,054,485
Share of post-acquisition results and other comprehensive income	**839,705**	621,065
Total	**6,894,190**	6,675,550

Company name	Place of establishment/ incorporation	Place of operation	Proportion of ownership interest and proportion of voting rights held by the Group At 31 December 2024	2023	Principal activity
Colour Bridge Holdings Ltd.	British Virgin Island ("**BVI**")	Shanghai, PRC	**50%**	50%	Property development
Garbo Commercial Property Fund L.P.	Cayman Island	Shanghai and Xi'an, PRC	**36.4%**	36.4%	Investment property
Changzhou Jingrui Real Estate Co., Ltd.*	PRC	Changzhou, PRC	**49%**	49%	Property development

* The English name is translation of its Chinese name and is included for identification purpose only, and should not be regarded as its official English translation.

Summary of financial information of material joint venture

Summarised financial information in respect of the Group's material joint venture which is accounted for using the equity method is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

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For the year ended 31 December 2024

21. INTERESTS IN JOINT VENTURES (continued)

Colour Bridge Holdings Ltd.

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets	**639,712**	2,454,771
Non-current assets	**11,940,869**	12,088,643
Total assets	**12,580,581**	14,543,414
Current liabilities	**336,936**	2,623,940
Non-current liabilities	**431,789**	413,337
Total liabilities	**768,725**	3,037,277
Non-controlling interest	**122,487**	115,748
Net assets of the Group's interests	**11,689,369**	11,390,389
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**289,213**	1,924,895
Current financial liabilities (excluding trade and other payables, and provisions)	**6,990**	312,461

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	**386,203**	17,821,552
Depreciation and amortisation	**(3)**	(22)
Income tax expense	**11,650**	(4,494,565)
Profit and total comprehensive income for the year	**305,719**	1,718,740
Non-controlling interest	**6,739**	17,567
Profit and total comprehensive income for the year shared by the Group	**149,490**	850,587

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For the year ended 31 December 2024

21. INTERESTS IN JOINT VENTURES (continued)

Colour Bridge Holdings Ltd. (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Colour Bridge Holdings Ltd. recognised in these consolidated financial statements.

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Net assets of Colour Bridge Holdings Ltd.	**11,689,369**	11,390,389
Proportion of the Group's ownership in Colour Bridge Holdings Ltd.	**50%**	50%
Carrying amount of the Group's interest in Colour Bridge Holdings Ltd.	**5,844,685**	5,695,195

Aggregate information of joint ventures that are not individually material

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
The Group's share of profit/(loss)	**69,150**	(18,319)

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of the Group's interests in these joint ventures	**1,049,505**	980,355

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22. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

Deferred tax assets

	Land appreciation tax RMB'000	Tax losses RMB'000	Impairment of assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	120,373	112,335	43,611	–	211,622	487,941
Acquisition of a subsidiary	–	679	–	–	–	679
Disposal of a subsidiary	–	(47,970)	–	–	–	(47,970)
(Charged)/credited to profit or loss (Note 11)	(6,596)	52,998	36,495	22,706	(25,168)	80,435
At 31 December 2023	**113,777**	**118,042**	**80,106**	**22,706**	**186,454**	**521,085**
Acquisition of a subsidiary	**–**	**–**	**150**	**–**	**–**	**150**
Disposal of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**
(Charged)/credited to profit or loss (Note 11)	**(45,419)**	**15,815**	**6,761**	**7,333**	**(31,645)**	**(47,155)**
At 31 December 2024	**68,358**	**133,857**	**87,017**	**30,039**	**154,809**	**474,080**

Deferred tax liabilities

	Investment properties RMB'000	Tax depreciation allowance RMB'000	Dividend withholding tax RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	5,893,470	1,858,784	459,057	–	54,574	8,265,885
Disposal of subsidiaries	(1,205,426)	(137,885)	–	–	–	(1,343,311)
Charged/(credited) to profit or loss (Note 11)	30,571	264,985	112,201	22,781	(5,056)	425,482
Exchange realignment	–	–	–	–	192	192
At 31 December 2023	**4,718,615**	**1,985,884**	**571,258**	**22,781**	**49,710**	**7,348,248**
Disposal of subsidiaries	**(476,545)**	**(11,352)**	**–**	**–**	**(14,777)**	**(502,674)**
Charged/(credited) to profit or loss (Note 11)	**218,591**	**237,303**	**103,287**	**6,764**	**4,890**	**570,835**
Exchange realignment	**–**	**–**	**–**	**–**	**294**	**294**
At 31 December 2024	**4,460,661**	**2,211,835**	**674,545**	**29,545**	**40,117**	**7,416,703**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

22. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Deferred tax assets	**356,800**	337,445
Deferred tax liabilities	**(7,299,423)**	(7,164,608)
	(6,942,623)	(6,827,163)

At 31 December 2024, the Group had tax losses of RMB2,828,626,000 (2023: RMB2,502,379,000) arose in Mainland China to carry forward to set off against future taxable profit which will expire within 1 to 5 years from each of the financial year end date. A deferred tax asset has been recognised in respect of tax losses of RMB535,428,000 (2023: RMB472,166,000). No deferred tax asset has been recognised in respect of the remaining tax losses of RMB2,293,198,000 (2023: RMB2,030,213,000) due to the unpredictability of future profit streams.

The unrecognised tax losses will expire in the following years:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
To be expired on:		
31 December 2024	**–**	211,885
31 December 2025	**406,874**	484,729
31 December 2026	**418,721**	435,321
31 December 2027	**472,774**	504,379
31 December 2028	**388,251**	393,899
31 December 2029	**606,578**	–
Total unused tax losses not recognised as deferred tax assets	**2,293,198**	2,030,213

At 31 December 2024, the Group had estimated unused tax losses of RMB144,045,000 (2023: RMB90,164,000) arose in Hong Kong available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

Pursuant to the PRC Enterprise Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is currently subject to withholding tax at 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

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22. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

At 31 December 2024, deferred tax liabilities on certain undistributed profits of the PRC subsidiaries of approximately RMB89,441,000 (2023: RMB88,648,000), which were generated after 1 January 2008, have not been recognised as of 31 December 2024 because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

23. LOANS TO/FROM ASSOCIATES, JOINT VENTURES, FELLOW SUBSIDIARIES, NON-CONTROLLING INTERESTS AND THIRD PARTIES

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Classified under current assets		
Loans to associates (Note (a))	**1,554,553**	1,752,028
Loans to non-controlling interests (Note (b))	**342,373**	278,211
	1,896,926	2,030,239
Classified under non-current assets		
Loan to an associate (Note (a))	**372,062**	663,875
Loans to non-controlling interests (Note (b))	**834,060**	751,740
	1,206,122	1,415,615

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Classified under current liabilities		
Loan from a fellow subsidiary (Note (d))	**165,332**	590,761
Loans from an associate (Note (e))	**258,334**	–
Loans from a joint venture (Note (f))	**2,250,000**	–
Loan from a third party (Note (g))	**1,200,000**	974,020
	3,873,666	1,564,781
Classified under non-current liabilities		
Loans from fellow subsidiaries (Note (d))	**60,131**	2,940
Loans from associates (Note (e))	**1,547,022**	248,934
Loans from a joint venture (Note (f))	**3,574,800**	5,824,800
Loans from a non-controlling interest (Note (c))	**–**	94,856
Loans from a third party (Note (g))	**1,200,000**	6,924,780
	6,381,953	13,096,310

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23. LOANS TO/FROM ASSOCIATES, JOINT VENTURES, FELLOW SUBSIDIARIES, NON-CONTROLLING INTERESTS AND THIRD PARTIES (continued)

Notes:

(a) The loans to associates as at 31 December 2024 were unsecured, carried fixed interest at rates 0% per annum (2023: 0% – 10.00% per annum) and were classified into current assets and non-current assets according to their repayment term.

(b) The loans to non-controlling interests as at 31 December 2024 were unsecured, interest bearing at 1.35%-6.00% per annum (2023: 0.35%-6.00% per annum) and were classified into current assets and non-current assets according to their repayment term.

(c) The loan from a non-controlling interest as at 31 December 2023 was unsecured, carried interest at rates 5.5% per annum and was classified into non-current liabilities according to their repayment term. The balance was fully settled during the year ended 31 December 2024.

(d) The loans from fellow subsidiaries carried interest at rates ranging from 6.37% to 6.64% per annum (2023: 3.65% to 7.47% per annum) and were classified into current liabilities and non-current liabilities according to their repayment term.

(e) The loans from associates as at 31 December 2024 was unsecured, carried interest at rates ranging from 0% – 4.00% per annum (2023: 4%) and repayable within one to three years (2023: within two years).

(f) The loans from a joint venture as at 31 December 2024 was unsecured, carried interest at rates 1.20% per annum and repayable within one to two years (2023: unsecured, interest bearing at 3.85% per annum and repayable within two years).

(g) The loans from a third party carried interest at rates 5.15% per annum (2023: ranging from 3.80% to 5.20% per annum) and were classified into current liabilities and non-current liabilities according to its repayment terms. Included in the above loans from a third party, RMB2,400,000,000 of which were guaranteed by the immediate holding company, Grandjoy Holdings Group as at 31 December 2024 (2023: RMB7,898,800,000). All of the third parties are other non-bank financial institutions such as trust institution and asset management company.

(h) Details of impairment assessment of loans to associates and non-controlling interests as at 31 December 2024 and 2023 are set out in Note 43.

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23. LOANS TO/FROM ASSOCIATES, JOINT VENTURES, FELLOW SUBSIDIARIES, NON-CONTROLLING INTERESTS AND THIRD PARTIES (continued)

The maturity profile of the loans from fellow subsidiaries, non-controlling interests, an associate, a joint venture and third parties are as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Carrying amount of loans *		
Within one year	**3,873,666**	1,564,781
In the second year	**4,874,131**	6,664,370
In the third to fifth year, inclusive	**1,507,822**	4,483,860
Over five years	**–**	1,948,080
Total	**10,255,619**	14,661,091
Less: Amounts due within twelve months shown under current liabilities	**(3,873,666)**	(1,564,781)
Amounts shown under non-current liabilities	**6,381,953**	13,096,310

* The amounts due are based on scheduled repayment dates set out in the respective loan agreements.

As at 31 December 2024, an aggregate amount of RMB372,062,000 (31 December 2023: RMB389,875,000) of loans to associates were denominated in United States dollars ("**US$**") and an amount of RMB57,191,000 (31 December 2023: RMB55,967,000) of loan from fellow subsidiaries was denominated in US$.

24(a). PROPERTIES HELD FOR SALE

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Completed properties held for sale	**6,654,121**	5,152,062

The Group's properties held for sale are located in Mainland China. They are stated at the lower of cost and net realisable value.

During the year ended 31 December 2024, the Group recognised an impairment loss of RMB365,175,000 (2023: RMB130,890,000) on the completed properties held for sale (Note 7).

At 31 December 2024, the properties held for sale with a carrying amount of RMB998,086,000 (2023: RMB711,308,000) was pledged to secure certain banking facilities granted to the Group (Note 41).

At 31 December 2024, included in the completed properties held for sale is carrying amount of RMB3,400,525,000 (2023: RMB3,450,724,000) which is expected to be sold after more than twelve months from the end of the reporting period.

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24(b). PROPERTIES UNDER DEVELOPMENT FOR SALE

	2024 RMB'000	2023 RMB'000
At cost:		
At 1 January	**38,915,341**	33,417,306
Additions	**5,853,606**	7,571,762
Additions through assets acquisition (Note 46)	**–**	5,161,332
Transfer to properties held for sale upon completion	**(15,339,754)**	(6,904,490)
Interest capitalised during the year (Note 9)	**393,890**	403,635
Impairment loss (Note 7)	**(320,991)**	(734,204)
At 31 December	**29,502,092**	38,915,341

Included in the properties under development for sale as at 31 December 2024 was carrying amount of RMB11,306,248,000 (31 December 2023: RMB20,176,399,000) of which the development is expected to be completed and available for sale after more than twelve months from the end of the reporting period.

At 31 December 2024, the land on which properties under development for sale are located with a carrying amount of RMB11,891,601,000 (2023: RMB11,313,878,000) was pledged to secure certain banking facilities granted to the Group (Note 41).

Included in the properties under development for sale as at 31 December 2024 was the carrying amount of construction costs incurred of RMB7,118,354,000 (31 December 2023: RMB5,605,015,000) in relation to primary land development.

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25. ACCOUNTS RECEIVABLE

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Lease receivables	**69,989**	108,621
Property management fee receivables	**3,937**	6,465
Receivables from hotel operations and related services	**14,045**	17,803
Others	**16,740**	4,737
Less: Allowance for credit losses	**(23,081)**	(23,178)
	81,630	114,448

At 31 December 2024, the gross amount of accounts receivable from contracts with customers amounted to RMB34,722,000 (2023: RMB29,005,000).

At 31 December 2024, accounts receivable with an aggregate carrying amount of RMB4,347,000 (2023: RMB2,756,000) were pledged to secure certain banking facilities granted to the Group (Note 41).

The following is an aged analysis of accounts receivable at the end of the reporting period, excluding rental adjustments and net of allowance for credit losses, presented based on invoice date, except for lease receivables, which were presented based on the date of rental demand notice issued:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Less than 3 months	**67,478**	92,444
3 months to 1 year	**6,952**	13,155
1 to 2 years	**5,383**	7,709
2 to 3 years	**1,817**	1,140
	81,630	114,448

As at 31 December 2024, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of RMB81,630,000 (31 December 2023: RMB76,809,000) which are past due as at the reporting date. Out of the past due balances, RMB14,152,000 (31 December 2023: RMB18,962,000) has been past due for 90 days or more and is not considered as in default due to historical repayment history from these customers. The Group does not hold any collateral over these balances.

Details of impairment assessment of accounts receivable as at 31 December 2024 and 2023 are set out in Note 43.

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26. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Classified under non-current assets		
Other deposits	**151,494**	158,329
Classified under current assets		
Construction payments on behalf of government in relation to primary land development	**24,795**	31,298
Prepayments to suppliers	**75,930**	85,899
Other deposits paid	**656,552**	1,180,568
Prepaid LAT and other taxes	**2,298,502**	2,087,151
Receivables from tenants for utility expenses paid on their behalf	**77,556**	32,906
Restricted deposits from pre-sale properties	**213,421**	204,127
Other receivables	**255,477**	154,986
	3,602,233	3,776,935
Less: Allowance for credit losses	**(38,076)**	(41,963)
	3,564,157	3,734,972

Details of impairment assessment of deposits and other receivables as at 31 December 2024 and 2023 are set out in Note 43.

27. AMOUNTS DUE FROM/TO FELLOW SUBSIDIARIES, HOLDING COMPANIES, JOINT VENTURES, ASSOCIATES AND NON-CONTROLLING INTERESTS

The amounts due from/to fellow subsidiaries, holding companies, joint ventures, associates and non-controlling interests classified under current assets and current liabilities, respectively, were unsecured, interest-free and repayable on demand.

Included in amounts due to non-controlling interests as at 31 December 2024 was dividend payable to non-controlling interests of RMB123,720,000 (2023: RMB146,304,000).

Details of impairment assessment of amounts due from associates, joint ventures, fellow subsidiaries and non-controlling interests as at 31 December 2024 and 2023 are set out in Note 43.

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27. AMOUNTS DUE FROM/TO FELLOW SUBSIDIARIES, HOLDING COMPANIES, JOINT VENTURES, ASSOCIATES AND NON-CONTROLLING INTERESTS (continued)

The particulars of the amounts due from fellow subsidiaries disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) are as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Amount due from a fellow subsidiary*:		
Name of fellow subsidiary		
中糧置地管理有限公司(COFCO Land Management Co., Ltd**)		
("**COFCO Land Management**")	**–**	–
Maximum amount outstanding during the year		
Name of fellow subsidiary		
COFCO Land Management	**–**	232

The amount is non-trade related, interest free and repayable on demand.

* Certain directors of this company are also directors of the Company.

** The English name is translation of its Chinese name and is included for identification purpose only, and should not be regarded as its official English translation.

The following amounts due from/to fellow subsidiaries, non-controlling interests and the immediate holding company are denominated in Hong Kong dollars ("**HK$**") or US$, other than the functional currency of the entities comprising the Group to which they relate:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Denominated in HK$		
Amounts due from joint ventures	**262**	237
Amounts due from associates	**111**	–
Amounts due to fellow subsidiaries	**49,739**	37,814
Amounts due to non-controlling interests	**3,399**	1,109
Denominated in US$		
Amounts due to fellow subsidiaries	**17,796**	13,773
Amounts due from joint ventures	**414**	323

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28. CASH AND BANK BALANCES, PLEDGED DEPOSITS AND RESTRICTED BANK DEPOSITS

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Cash at banks and on hand*	**17,520,129**	15,732,196
Non-pledged time deposits with an original maturity of:		
Three months or less when acquired	**1,600,000**	3,700,000
Cash and bank balances	**19,120,129**	19,432,196
Pledged deposits:		
For guarantees provided by the Group in respect of loan facilities utilised by property buyers (Note 41)	**2,410**	2,406
Restricted bank deposits	**65,744**	46,188

* Cash at COFCO Finance were amounted to RMB2,485,000,000 at 31 December 2024 (31 December 2023: RMB2,460,000,000).

Cash at banks earns interest at rates based on daily bank deposit rates. Short-term time deposits are made for varying periods not exceeding three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks.

The bank balances and deposits carry variable interest rates as follows:

	At 31 December	
	2024	2023
Interest rate per annum (%)	**0.001 to 4.6**	0.001 to 4.063

Certain of the Group's cash and bank balances are denominated in the following currencies other than the functional currency of the entities comprising the Group to which they relate:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Denominated in HK$	**46,624**	44,044
Denominated in US$	**84,631**	342,359
	131,255	386,403

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29. ACCOUNTS PAYABLE

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables	**11,362**	45,024
Accrued expenditures on construction	**4,298,018**	5,392,258
	4,309,380	5,437,282

Accounts payable, including trade payables, accrued expenditures on construction and accrued land cost, mainly comprise construction costs, land cost and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the credit period is up to 2 years. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	**11,362**	43,765
1 to 2 years	**–**	1,259
	11,362	45,024

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30. OTHER PAYABLES AND ACCRUALS

Classified under current liabilities

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Construction costs payable for investment properties	**1,918,410**	1,645,826
Receipts of credit card payments on behalf of tenants	**333,121**	395,408
Rental deposits received	**429,066**	428,652
Other deposits received	**874,125**	529,117
Salaries and payroll payables	**276,426**	286,084
Rental receipts in advance	**409,180**	423,520
Other receipts in advance	**275**	–
Other tax payable	**1,478,341**	1,926,352
Consideration payable for acquisition of a joint venture	**6,944**	6,944
Interest payables	**33,064**	36,967
Promotional fees payable	**81,199**	87,482
Obligation arising from put option to non-controlling interest (Note)	**–**	389,517
Other payables and accruals	**623,760**	520,151
	6,463,911	6,676,020

Classified under non-current liabilities

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Rental deposits received	**571,994**	572,458

Note:

On 8 October 2018, Golden Prominent Limited ("**Golden**"), a wholly-owned subsidiary of the Company, entered into an agreement with Reco Valley Private Limited (the "**Partner**"), a third party, to establish a non wholly-owned subsidiary named Joy Valley Limited ("**Joy Valley**"), to bid for the land use rights for the purpose of developing a property project in Wuhan, HuBei Province, the PRC. Golden holds 51% equity interest in Joy Valley and the Partner holds the remaining 49% equity interest.

Pursuant to the agreement above, Golden has granted the put option (the "**Put Option**") to the Partner exercisable upon the date of completion of the two years operation of the shopping mall located on the piece of land of the project developed by Joy Valley, within a 30-day valid period, that the Partner has the right to require the Group to buy back the 49% equity interest in Joy Valley held by the Partner at a cash consideration with reference to the market value of net assets of Joy Valley attributable to the Partner. At initial recognition, the obligation arising from the Put Option represented the estimated present value of the amount of Golden could be required to pay the Partner amounting to RMB336,470,000. This amount has been recognised in the consolidated statement of financial position with a corresponding debit to other reserve, and was designated as at FVTPL.

The Put option was expired and lapsed on 31 January 2024 (the "**Expiry date**"), the carrying amount of Put Option amounted to RMB389,517,000 was credited to other reserve on the Expiry date upon derecognition.

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31. BANK BORROWINGS

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Bank loans:		
Secured or guaranteed	**23,261,711**	17,026,250
Unsecured	**6,575,704**	8,523,657
	29,837,415	25,549,907
Represented:		
Fixed-rate borrowings	**2,579,883**	470,000
Floating-rate borrowings	**27,257,532**	25,079,907
	29,837,415	25,549,907

Details of securities for the secured bank loans are set out in Note 41. Certain of bank loans are under corporate guarantee executed by related parties and third parties as follows:

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Guaranteed by fellow subsidiaries of the Group	**8,520,704**	6,393,471
Guaranteed by non-controlling interests	**2,622,102**	687,587

The maturity profile of the above bank loans is as follows:

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Carrying amount of bank loans repayable*		
Within one year	**4,465,332**	7,202,336
In the second year	**5,177,466**	3,912,803
In the third to fifth year, inclusive	**15,898,346**	12,547,678
Beyond five years	**4,296,271**	1,887,090
Total bank borrowings	**29,837,415**	25,549,907
Less: Amounts due within twelve months shown under current liabilities	**(4,465,332)**	(7,202,336)
Amounts shown under non-current liabilities	**25,372,083**	18,347,571

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

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For the year ended 31 December 2024

31. BANK BORROWINGS (continued)

As at 31 December 2024, the amount of RMB3,190,382,000 of bank borrowings was denominated in HK$ (2023: RMB3,120,300,000), and the amount of RMB5,608,802,000 of bank borrowings was denominated in US$ (2023: RMB7,645,518,000). As at 31 December 2023, out of these foreign currency denominated bank loans, the Group has entered into interest rate swap agreements with independent counterparties to lock-up the variable interest rates of the loans amounting to RMB4,375,692,000 into fixed rates. These interest rate swap instruments are designated as effective hedging instruments. All of the interest rate swap agreements was settled during the year ended 31 December 2024.

The Group has entered into foreign currency forward contracts with independent counterparties to lock-up the variable foreign currency exchange rates of the loans amounting to RMB143,768,000 as at 31 December 2024 (31 December 2023: RMB141,654,000) into fixed rates. These exchange rate swap instruments are designated as effective hedging instruments.

The range of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings is as follows:

	At 31 December	
	2024	2023
	%	%
Effective interest rate per annum	**2.50 to 6.05**	2.35 to 6.91

Loan covenants

As at 31 December 2024, the Group's borrowings with carrying amount of RMB14,388,481,000 are subject to the fulfilment of covenants. If the Group were to breach the covenants, the related borrowings would become payable on demand. These covenants are mainly as follow:

- change of substantial shareholders of the borrowers
- change of key personnel of the borrowers
- the underlying projects progress lags behind the development plans
- debt-to-asset ratio shall not exceed 80%

The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 43. As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached.

As at 31 December 2024, as the Group complied with the covenants that were required to be met on or before 31 December 2024.

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32. BONDS PAYABLE

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Classified under current liabilities		
COFCO Commercial Property Investment Co., Ltd (Note)	**1,881,164**	819,614
Classified under non-current liabilities		
COFCO Commercial Property Investment Co., Ltd (Note)	**2,198,546**	3,264,939

Note:

On 9 January 2019, COFCO Commercial Property Investment Co., Ltd（中糧置業投資有限公司）(“**COFCO**”), a non-wholly-owned subsidiary of the Company, issued a six-year term and a seven-year term unsecured corporate bonds (“**CBI**” and “**CBII**”) in the PRC, with principal amounts of RMB1,660,000,000 and RMB700,000,000 respectively. The coupon rates of the bonds are 3.94% and 4.10% per annum. At the end of the third year of CBI and the fifth year of CBII, the bond holders have a right to require COFCO to redeem the bonds at its par value plus accrued and unpaid interest, and COFCO has a right to adjust the coupon rate of the bonds from a range of 1-100 basis points. The principal of RMB700,000,000 of CBII was fully redeemed during the year ended 31 December 2024.

On 27 March 2020, COFCO issued a three-year term and a five-year term of unsecured corporate bonds in the PRC, with principal amounts of RMB900,000,000 and RMB600,000,000 respectively, carrying coupon rate of 3.14% and 3.60% per annum, respectively. The three-year term with principal amount of RMB900,000,000 was fully repaid during the year ended 31 December 2023.

On 19 January 2022, COFCO issued a five-year term and a seven-year term of unsecured corporate bonds in the PRC, with principal amounts of RMB1,000,000,000 and RMB500,000,000 respectively. The coupon rates of the bonds are 3.08% and 3.49% per annum, respectively.

On 17 April 2023, COFCO issued a five-year term of unsecured corporate bonds in the PRC, with principal amount of RMB1,000,000,000. The coupon rate of the bond is 3.34% per annum.

On 18 January 2024, COFCO issued a five-year term of unsecured corporate bonds in the PRC, with principal amount of RMB700,000,000. The coupon rate of the bond is 3.13% per annum.

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33. CONTRACT LIABILITIES

	As 31 December	
	2024	2023
	RMB'000	RMB'000
Sales of properties	**14,438,719**	19,322,421
Others	**45,999**	124,894
	14,484,718	19,447,315

As at 1 January 2023, contract liabilities amounted to RMB11,185,853,000.

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

	Sales of properties RMB'000	Others RMB'000
For the year ended 31 December 2024		
Revenue recognised that was included in the contact liabilities balance at the beginning of the year	**5,823,306**	**36,343**
For the year ended 31 December 2023		
Revenue recognised that was included in the contact liabilities balance at the beginning of the year	4,973,303	24,282

34. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	Amount	(RMB equivalent)
		HK$'000	RMB'000
Authorised:			
Ordinary shares of HK$0.10 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	28,904,699,222	2,890,470	2,293,502
Issued and fully paid:			
Ordinary shares of HK$0.10 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	14,231,124,858	1,423,112	1,122,414

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35. NON-REDEEMABLE CONVERTIBLE PREFERENCE SHARES

CPS with a par value of HK$0.10 each were created as a new class of shares in the share capital of the Company on 19 December 2013. Upon the completion date of the Reverse Takeover Transaction on 19 December 2013, the Company issued 1,095,300,778 CPS (which are convertible into 1,095,300,778 new ordinary shares of the Company (the "**Shares**") subject to anti-diluted adjustments, to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the CPS (the "**Conversion Shares**")) to Achieve Bloom Limited, the then immediate holding company of the Company, as part of the consideration of the Reverse Takeover Transaction completed in December 2013, resulting in credits to equity of HK$2,190,602,000 (approximately RMB1,722,317,000).

The CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share. Holders of the CPS will have the right to convert all or such number of CPS into the Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules. The CPS shall be non-redeemable by the Company or their holders.

Each CPS shall confer on its holder the right to receive any dividend pari passu with holders of Shares on the basis of the number of Share(s) into which each CPS may be converted and on an as converted basis. The holders of the CPS shall have priority over the ordinary shareholders of the Company on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company (but not on conversion of CPS or any repurchase by the Company of CPS or Shares).

The holders of the CPS shall be entitled to receive notices of and to attend general meetings of the Company, but the CPS shall not confer on their holders the right to vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for the winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject.

The CPS (including the Conversion Shares once converted from the CPS) may be transferred by their holders without restriction. Save as expressly provided in the Bye-laws and save and except for the voting rights and distribution entitlements upon liquidation, winding-up or dissolution of the Company, each CPS shall have the same rights as each of the Shares.

The Conversion Shares upon conversion of the CPS will be issued as fully paid and will rank pari passu in all respects with the Shares in issue as at the date of conversion. Listing approval for the Conversion Shares has been granted by the Stock Exchange.

If and whenever the Shares are consolidated or sub-divided into a different nominal amount, then the same consolidation or subdivision shall be effected on the CPS, in which case the conversion ratio shall remain as one CPS for one Share (as consolidated or sub-divided, as the case may be).

No listing will be sought for the CPS on the Stock Exchange or any other stock exchange.

36. RESERVES

The reconciliation of each component of the Group's total equity, including share premium and reserves, is set out in the consolidated statement of changes in equity.

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37. PERPETUAL CAPITAL INSTRUMENTS

(a) In October 2014, COFCO, the ultimate holding company and a bank (the "**Bank**") have entered into an entrustment loan agreement (the "**Perpetual Loan Agreement**"), pursuant to which the ultimate holding company shall entrust the Bank to lend RMB3,768 million (the "**Perpetual Loan**") to the Group for the purpose of repaying part of the loans from the ultimate holding company. The Perpetual Loan Agreement took effect on 20 October 2014 and the Perpetual Loan had been granted to the Group. The Perpetual Loan bears interest at 6.5% per annum. The Perpetual Loan interest rate was changed to 3.905% took effect on 11 August 2023. Interest payments on the Perpetual Loan are paid annually in arrears from 20 October 2014 and can be deferred at the discretion of the Group. Neither the ultimate holding company nor the Bank could request for repayment of the principal and accrued interest save and except for when the Group elects to repay the principal and accrued interest at its sole discretion, or in the event of liquidation.

On 9 April 2019, 28 June 2018, 24 December 2017 and 22 December 2016, the Group repaid principal of the Perpetual Loan amounting to RMB1,200 million, RMB200 million, RMB500 million and RMB500 million to the ultimate holding company, respectively. As a result, the principal of the Perpetual Loan is amounted to RMB1,368 million as at 31 December 2024 (2023: RMB1,368 million).

On 29 December 2022 and 1 August 2023, COFCO issued a Perpetual Note (ref. no. MTN787) through National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) (the "**NAFMII**") Bank of China Limited in the PRC. The final total principal amount of this Perpetual Note (ref. no. MTN787) amounted to RMB3,000 million with RMB1,500 million on each issue carries coupon rate of 5.10% and 3.45% respectively. In 2024, the Group repaid principal of the RMB1,500 million to the investors. As a result, the principal of this Perpetual Note is amounted to RMB1,500 million as at 31 December 2024 (2023: RMB3,000 million).

On 6 November 2024, COFCO issued a medium term notes (code: 102401027) through the NAFMII in the PRC. The principal amount of this medium term notes amounted to RMB1,400 million with coupon rate of 3.20% as at 31 December 2024.

(b) In December 2019, Zhejiang Herun Tiancheng Real Estate Co., Ltd (浙江和潤天成置業有限公司) ("**Herun Tiancheng**"), a wholly-owned subsidiary of the Company and the immediate holding company has entered into a loan agreement (the "**Herun Tiancheng Perpetual Loan Agreement**"), pursuant to which the immediate holding company shall lend RMB1,486 million (the "**Herun Tiancheng Perpetual Loan**") to Herun Tiancheng. The Herun Tiancheng Perpetual Loan Agreement took effect on 23 December 2019. The Herun Tiancheng Perpetual Loan bears interest at 4.35% per annum for the first five years, and adjusts each five years according to 5-year arithmetic average of PRC treasury bond yield. The principal doesn't have a maturity date and interest payments on the Herun Tiancheng Perpetual Loan are paid annually in arrears from 23 December 2019 and can be deferred at the discretion of Herun Tiancheng, or in the event of liquidation. In 2019 and 2021, the company repaid the Perpetual Loan principal of RMB560 million and RMB843 million to immediate holding company respectively.

In 2024, the company repaid the Perpetual Loan principal of RMB82 million to the immediate holding company. As a result, the principal of the Herun Tiancheng Perpetual Loan was fully repaid (2023: amounted to RMB82 million) during the year.

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37. PERPETUAL CAPITAL INSTRUMENTS (continued)

(c) In December 2019, Jinan Joy City Co., Ltd. (濟南大悦城產業發展有限公司) ("**Jinan Joy City**"), a 60%-owned subsidiary of the Company has entered into a loan agreement (the "**Jinan Joy City Perpetual Loan Agreement**"), pursuant to which Qingdao Zhiyue Co., Ltd., one of the wholly-owned subsidiary of Jinan Joy City, and a non-controlling interest shall lend RMB2,088 million (the "**Jinan Joy City Perpetual Loan**") to Jinan Joy City. The loan from the non-controlling interest amounts to RMB835 million. The Jinan Joy City Perpetual Loan Agreement took effect on 31 December 2019. The Jinan Joy City Perpetual Loan bears interest at 4.35% per annum for the first five years and adjusts each five years according to 5-year arithmetic average of PRC Treasury bond yield. The principal doesn't have a maturity date and interest payments on the Jinan Joy City Perpetual Loan are paid annually in arrears from 31 December 2019 and can be deferred at the discretion of Jinan Joy City, or in the event of liquidation. In 2020, Jinan Joy City repaid principal of the Perpetual Loan amounting to RMB148 million to non-controlling interests. In 2021, Jinan Joy City repaid principal of the Perpetual Loan amounting to RMB270 million to non-controlling interests. In 2022, Jinan Joy City repaid principal of the Perpetual Loan amounting to RMB70 million to non-controlling interests.

As a result, the loan from non-controlling interests amounted to RMB347 million as at 31 December 2024 (2023: RMB347 million).

(d) In July 2021, Chengdu Tianfu Chenyue Real Estate Co., Ltd. ("成都天府辰悦置業有限公司") ("**Tianfu Chenyue**"), a wholly-owned subsidiary of the Company, and the immediate holding company, entered into a loan agreement (the "**Tianfu Chenyue Perpetual Loan Agreement**"), pursuant to which the immediate holding company lent RMB220 million to Tianfu Chenyue (the "**Tianfu Chenyue Perpetual Loan**"). The Tianfu Chenyue Perpetual Loan Agreement became effective on 13 July 2021. The Tianfu Chenyue Perpetual Loan carries interest at an annual interest rate of 1.15% for the first five years. Starting from the sixth interest-bearing year, the interest rate is adjusted every five years and remains unchanged during the five years. The principal doesn't have a maturity date and interest payments on the Tianfu Chenyue Perpetual Loan are paid quarterly in arrears from 14 July 2021 and can be deferred at the discretion of Tianfu Chenyue, or in the event of liquidation.

In 2024, the company repaid principal of the Perpetual Loan amounting to RMB220 million the immediate holding company. As a result, the principal of the Tianfu Chenyue Perpetual Loan was fully repaid (2023: amounted to RMB220 million) during the year.

(e) In July 2021, Qingdao Zhiyue Land Co., Ltd. ("青島智悦置地有限公司")("**Qingdao Zhiyue**"), a wholly-owned subsidiary of the Company, and the immediate holding company entered into a loan agreement (the "**Qingdao Zhiyue Perpetual Loan Agreement**"). Accordingly, the immediate holding company lent RMB40 million to Qingdao Zhiyue (the "**Qingdao Zhiyue Perpetual Loan**"). The Qingdao Zhiyue Perpetual Loan Agreement became effective on 14 July 2021. The Qingdao Zhiyue perpetual loan carries interest at an annual interest rate of 1.15% for the first five years. Starting from the sixth interest-bearing year, the interest rate is adjusted every five years and remains unchanged during the five years. The principal doesn't have a maturity date and interest payments on the Qingdao Zhiyue Perpetual Loan are paid quarterly in arrears from 14 July 2021 and can be deferred at the discretion of Qingdao Zhiyue, or in the event of liquidation.

In 2024, Qingdao Zhiyue repaid principal of the Perpetual Loan amounting to RMB40 million to the immediate holding company. As a result, the principal of the Qingdao Zhiyue Perpetual Loan was fully repaid (2023: amounted to RMB40 million) during the year ended 31 December 2024.

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37. PERPETUAL CAPITAL INSTRUMENTS (continued)

(f) In October 2021, Nanjing Yuejincheng Real Estate Industry Co., Ltd.("南京悅錦成房地產實業有限公司")("**Nanjing Yuejincheng**"), a 50%-owned subsidiary of the Company, the non-controlling interests and a wholly-owned subsidiary entered into a loan agreement (the "**Nanjing Yuejincheng Perpetual Loan Agreement**"), pursuant to which the non-controlling interest shall lend to Nanjing Yue Jincheng RMB1,530 million ("**Nanjing Yue Jincheng Perpetual Loan**"). The Nanjing Yuejincheng Perpetual Loan Agreement became effective on 20 October 2021. For the first five years of Nanjing Yuejincheng's perpetual loan, interest is calculated at an annual interest rate of 4%. Starting from the sixth interest-bearing year, the loan interest rate is the five-year loan market quoted interest rate announced by the National Interbank Funding Center in the month in which the loan occurred, plus the five-year interest rate. Initial spread plus 3%. The principal doesn't have a maturity date and interest payments on the Nanjing Yuejincheng Perpetual Loan are paid quarterly in arrears from 20 October 2021 and can be deferred at the discretion of Nanjing Yuejincheng, or in the event of liquidation. In 2022, Nanjing Yuejincheng repaid principal of the Nanjing Yuejincheng Perpetual Loan amounting to RMB945 million to the non-controlling interests. In 2023, Nanjing Yuejincheng repaid principal of the Nanjing Yuejincheng Perpetual Loan amounting to RMB282 million to the non-controlling interests.

In 2024, Nanjing Yuejincheng repaid principal of the Nanjing Yuejincheng Perpetual Loan amounting to RMB60 million to the non-controlling interests. As a result, the principal of the Nanjing Yuejincheng Perpetual Loan amounted to RMB243 million as at 31 December 2024 (2023: RMB303 million).

As the Group has the right to defer the repayments of the principal and accrued interest of the perpetual loans and perpetual note mentioned above at its sole discretion, and it has no direct or indirect contractual financial obligation to pay cash or other financial asset in respect of them, they are therefore classified as equity in the consolidated statement of financial position.

In addition, no guarantee of any kind is required to be given by any member of the Group to either the ultimate holding company or the Bank for these perpetual loans.

38. CONTINGENT LIABILITIES

(a) Guarantees

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Guarantees provided by the Group in respect of		
loan facilities utilised by property buyers	**4,528,138**	5,328,302
loan facilities utilised by an associate	**–**	696,000
	4,528,138	6,024,302

The Group has pledged certain bank deposits (details set out in Note 28) and provided guarantees to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's properties. These guarantees will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security of the mortgage loans granted.

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For the year ended 31 December 2024

38. CONTINGENT LIABILITIES (continued)

(a) Guarantees (continued)

In June 2022, the Company provided a guarantee for an amount up to RMB196,000,000 in respect of a loan provided by a third party to a wholly owned subsidiary of the associate company, Fancy Merit Ltd., for the construction and development of commercial properties. The guarantee was released during the year ended 31 December 2024.

On 27 March 2023, the Company (as the guarantor) entered into a guarantee agreement with China Minsheng Bank as the beneficiary in a financing agreement (according to which, the project company will be provided with a total of RMB2,500,000,000 bank loan with a loan term of 4.5 years), the Company agrees to provide guarantee for 20% of the project company's payment obligations under the financing agreement based on the Company's indirect equity interest in the project company, with the maximum amount not exceeding RMB500,000,000. The project company is mainly engaged in the development of commercial and financial services district in Beijing, the PRC. The guarantee was released during the year ended 31 December 2024.

In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant as the default rate is low.

(b) The Group has certain non-compliance incidents which are relating to the failure to comply with certain terms and conditions of the relevant construction works planning permits in respect of two projects, Chaoyang Joy City and Shenyang Joy City. The Group may be subject to a fine of up to 10% of the construction cost of the noncompliant structure or the excess area (as the case may be), demolishment of the relevant property and confiscation of any illegal revenue.

The construction costs of Chaoyang Joy City amounted to RMB3,473 million, including the cost for the non-compliant structure of RMB42 million. The non-compliant structure has been occupied as office and has not generated any revenue, and accordingly, the Directors believe that there would not be illegal revenue subject to confiscation. Chaoyang Joy City generated revenue since the year 2010 and it has not received any notification from the relevant authorities with respect to the non-compliant structure since the commencement of operation. The aggregate revenue of the shopping mall of Chaoyang Joy City since it generated revenue up to 31 December 2024 amounted to RMB8,068 million (2023: RMB7,331 millions).

The construction costs of Shenyang Joy City amounted to RMB1,957 million, including an estimated cost for the excess area of RMB81 million. The excess area has been utilised as passageways for commercial use and has generated only a small percentage of the aggregate revenue of Shenyang Joy City. Shenyang Joy City generated revenue since the year 2009 and it has not received any notification from the relevant authorities with respect to the excess area since the commencement of operation, and accordingly, the Directors believe that the likelihood for the confiscation of any illegal revenue is low, and any action taken by the authorities will have minimal impact on the income and performance of Shenyang Joy City. The aggregate revenue of Shenyang Joy City since it generated revenue up to 31 December 2024 amounted to RMB3,707 million (2023: RMB3,395 millions).

Based on the reasons and circumstances of these non-compliances and the PRC legal advice, the management of the Group considers that the risk of the above losses is remote, and accordingly, no provision has been made. In addition, COFCO Corporation, the ultimate holding company of the Company, has undertaken to indemnify the Company against all penalties, losses and expenses in connection with the above non-compliances.

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39. OPERATING LEASE ARRANGEMENTS

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases in respect of office premises and retail shops (2023: office premises and retail shops) which fall due as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Within one year	**2,579,867**	2,780,635
In the second year	**1,582,665**	1,668,475
In the third year	**1,015,945**	1,017,452
In the fourth year	**680,824**	690,389
In the fifth year	**497,069**	553,847
After five years	**866,949**	923,894
	7,223,319	7,634,692

Leases are negotiated for an average term of 1 to 20 years (2023: 1 to 25 years) mostly with fixed rentals. Certain lease arrangements contain rental escalation clauses which increase the monthly rental on a yearly basis.

40. CAPITAL COMMITMENTS

The Group had the following commitments as at the end of each reporting period:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Capital commitments in respect of:		
Constructing and developing investment properties contracted, but not provided for	**1,269,911**	640,891
Capital injection commitments to an associate	**660**	874,850
	1,270,571	1,515,741

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41. PLEDGE OF ASSETS

The carrying amounts of the non-current and current assets pledged to secure loan facilities granted to the Group by banks and loan facilities utilised by property buyers, are as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Investment properties	**22,631,509**	22,043,176
Property, plant and equipment	**1,255,117**	2,033,699
Properties under development for sale	**11,891,601**	11,313,878
Properties held for sale	**998,086**	711,308
Right-of-use assets	**1,094,510**	1,224,527
Accounts receivable	**4,347**	2,756
Pledged deposits	**2,410**	2,406
	37,877,580	37,331,750

42. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each reporting period are as follows:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Financial assets:		
Financial assets at amortised cost	**23,761,630**	24,671,101
Financial assets at FVTPL:		
– Equity instruments	**510**	510
– Loan to an associate	**372,062**	389,875
Hedging instruments designated in cash flow hedges	**3,982**	131,177
Derivative financial instruments	**–**	63,306
Financial liabilities:		
Financial liabilities at amortised cost	**54,258,481**	55,307,794
Financial liabilities at FVTPL	**–**	389,517
Derivative financial instruments	**–**	15,784
Rental deposits received	**1,001,060**	1,001,110

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include financial assets at FVTPL, amounts due from/to fellow subsidiaries, holding companies, joint ventures, associates, and non-controlling interests, loans from/to joint ventures, associates, fellow subsidiaries, non-controlling interests and third parties, accounts receivable, deposits and other receivables, accounts and other payables, bank borrowings, pledged deposits, restricted bank deposits and cash and bank balances, bonds payable, derivative financial instruments and hedging instruments. Details of these financial instruments are disclosed in respective notes to these consolidated financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Currency risk

The Group collects most of its revenue in RMB and most of the expenditures including expenditures incurred in property sales as well as capital expenditures are also denominated in RMB.

The Group has account balances denominated in foreign currencies, hence exposure to exchange rate fluctuations arises.

The Group uses foreign exchange forward contracts to eliminate the currency exposures. The foreign exchange forward contracts must be in the same currency as the hedged item. On this basis, the Group has entered into such forward contracts in relation to the foreign currency denominated monetary liabilities amounting to US$20,000,000 (2023: US$20,000,000). It is the Group's policy to negotiate the terms of the hedge derivatives, to the extent possible, to match or approximate the terms of the hedged item to maximise hedge effectiveness.

Of the foreign currency denominated monetary liabilities at the end of the reporting period, bank borrowings are hedged by foreign exchange forward contracts and designated as effective hedging relationship.

At 31 December 2024, the group entities with RMB as functional currency have bank balances denominated in foreign currencies which mainly consist of HK$ and US$ as set out in Note 28, amounts due to fellow subsidiaries, non-controlling interests and intermediate holding company which mainly consist of HK$ and US$ as set out in Note 27, loan to associates and loan from non-controlling interests which consist of US$ as set out in Note 23 and bank borrowings which mainly consist of HK$ and US$ as set out in Note 31 which expose the Group to foreign currency risk.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in RMB against US$/HK$ while all other variables are held constant, which represents the Directors' assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding US$/HK$denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rate and excludes the effect on foreign currency denominated borrowings that are under an effective hedging relationship as the Group's net exposure to currency risk arising from the hedging relationship is insignificant. A positive number below indicates an increase in post-tax profit where RMB strengthens 5% against US$/HK$ and vice versa.

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For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

	At 31 December	
	2024	2023
	RMB'000	RMB'000
(Decrease)/increase in post-tax profit for the year:		
– if RMB weakens against US$	**(18,709)**	(21,951)
– if RMB strengthens against US$	**18,709**	21,951
– if RMB weakens against HK$	**15,265**	17,454
– if RMB strengthens against HK$	**(15,265)**	(17,454)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to fixed-rate loans from/to associates, joint ventures, third parties and non-controlling interests, fixed-rate bank borrowings, bonds payable (see Notes 23, 31 and 32 respectively for details) and lease liabilities.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, variable-rate bank borrowings, variable-rate loans from fellow subsidiaries, including derivatives which are designated as effective hedging instruments at the end of the reporting period. The Group manage its interest rate exposures by entering into interest rate swap contract as detailed in Note 31.

The interest rates and terms of repayment of the interest-bearing bank borrowings of the Group are disclosed in Note 31. The interest rates and terms of repayment of the interest-bearing loans from/to fellow subsidiaries, associates, joint ventures, non-controlling interests and third parties of the Group are disclosed in Note 23. It is the Group's policy to negotiate the terms of the interest-bearing bank borrowings in order to balance the interest rate exposure.

Total interest income from financial assets that are measured at amortised cost is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Other income	**280,651**	403,033

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments (excluding derivative financial instruments) at the end of the reporting period. The sensitivity analysis excludes the effect on variable-rate bank borrowings that are under an effective hedging relationship as the Group's net exposure to interest rate risk arising from the hedging relationship is insignificant. For remaining variable-rate bank loans and variable-rate loans from fellow subsidiaries, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the management of the Group considers that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss for the year is insignificant.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk management (continued)

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 the benchmark interest rate quoted by the People's Bank of China arising from the Group's RMB denominated borrowings.

A 50 (2023: 50) basis points increase or decrease in variable-rate bank borrowings, variable-rate loans from fellow subsidiaries and interest rate swaps designated to hedge cash flow interest rate risk during the year are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 (2023: 50) basis points higher/lower during the year and all other variables were held constant, the impact on post-tax profit after taking into account the interest capitalisation effect is set out below.

	At 31 December	
	2024	2023
	RMB'000	RMB'000
(Decrease)/increase in post-tax profit for the year:		
– interest rates 50 basis points higher	**(111,965)**	(85,113)
– interest rates 50 basis points lower	**111,965**	85,113

Credit risk management

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets stated in the consolidated statement of financial position and the financial guarantee contracts as disclosed in Note 38.

At as 31 December 2024, the Group's credit risk is primarily attributable to its loans to/amounts due from fellow subsidiaries, the ultimate/intermediate holding company, joint ventures, associates and non– controlling interests, accounts and other receivables, pledged deposits, restricted bank deposits, cash and bank balances, and financial guarantee contracts. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. In order to minimise the credit risk of accounts receivable, management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

For the loans to/amounts due from fellow subsidiaries, an associate, joint ventures and non-controlling interests, the management of the Group is in the opinion that the failure of these entities to make required payments is unlikely after considering their past settlement records, and/or the financial position of the entities.

For certain of loans to associates, the management of the Group is in the opinion that there is evidence indicating the balances are credit-impaired after considering their past settlement records, and/or the financial position of the entities.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risks of the Group on liquid funds are limited because the counterparties are banks with good reputation. The Group has no significant concentration of credit risk on liquid funds, with exposure spread over a number of banks.

Internal credit rating	Description	Accounts receivable	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	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or 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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

The table below details the credit risk exposures of the Group's financial assets, operating lease receivables and financial guarantee contracts, which are subject to ECL assessment:

	Notes	Internal Credit rating	12-month or lifetime ECL	At 31 December 2024 Gross carrying amount RMB'000	2023 Gross carrying amount RMB'000
Financial assets at amortised costs					
Deposit and other receivables	a	Low risk	12m ECL – provision matrix	**697,948**	550,348
Accounts receivable	b	Doubtful	Lifetime ECL (not credit-impaired) – provision matrix	**23,081**	23,178
Accounts receivable	b	Low risk	Lifetime ECL (not credit-impaired) – provision matrix	**11,641**	5,827
Loans to associates and non-controlling interests	a	Low risk	12m ECL	**1,394,871**	1,339,796
Loans to associates	a	Loss	Lifetime ECL (credit-impaired)	**2,659,239**	2,685,826
Amounts due from fellow subsidiaries, joint ventures, associates and non-controlling interests	a	Low risk	12m ECL	**1,235,966**	1,590,940
Cash and bank balances		Low risk	12m ECL	**19,120,129**	19,432,196
Restricted bank deposit		Low risk	12m ECL	**65,744**	46,188
Pledged deposits		Low risk	12m ECL	**2,410**	2,406
Other items					
Lease receivables included in accounts receivable	b	Low risk	Lifetime ECL (not credit-impaired) – provision matrix	**69,989**	108,621
Financial guarantee contracts	c	Low risk	12m ECL	**4,528,138**	6,024,302

Notes:

(a) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

(b) For accounts receivable (including lease receivables), the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired which assessed individually, the Group determines the ECL on these items by using a provision matrix.

(c) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers/debtors in relation to its rental and other operations. The management assessed the exposure to credit risk for accounts receivable based on provision matrix as at 31 December 2024 and 2023 within lifetime ECL.

The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

The following table shows the movements in lifetime ECL that has been recognised for accounts receivable (including lease receivables) under the simplified approach:

	Lifetime ECL (not credit impaired) RMB'000
As at 1 January 2023	21,963
– Impairment losses recognised	10,813
– Impairment losses reversed	(2,999)
– Impairment losses write off	(6,206)
– Dissolution of a subsidiary	(393)
As at 31 December 2023	23,178
– Impairment losses recognised	7,926
– Impairment losses reversed	(1,599)
– Impairment losses write off	(6,424)
As at 31 December 2024	23,081

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For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

The following table shows reconciliation of loss allowances that has been recognised for other receivables:

	12m ECL
	RMB'000
As at 1 January 2023	36,957
– Impairment losses recognised	12,823
– Impairment losses reversed	(6,416)
– Impairment losses write off	(1,214)
– Dissolution of a subsidiary	(187)
As at 31 December 2023	41,963
– Impairment losses recognised	10,797
– Impairment losses reversed	(14,611)
– Impairment losses write off	(73)
At 31 December 2024	38,076

The following table shows reconciliation of loss allowances that has been recognised for loans to associates:

	12m ECL	**Lifetime ECL (credit-impaired)**	**Total**
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	35,845	–	35,845
– Impairment losses recognised	–	933,798	933,798
As at 31 December 2023	35,845	933,798	969,643
– Impairment losses recognised	–	399,659	399,659
As at 31 December 2024	35,845	1,333,457	1,369,302

Note:

During the year ended 31 December 2024, the accumulated share of losses and other comprehensive expenses exceeds the Group's interest in Kumming Luosiwan, the Group recognised share of losses and other comprehensive expenses for current year amounted to RMB373,491,000 (2023: RMB907,210,000) to the extent of loan to Kunming Luosiwan as impairment loss (the "**Impairment Loss**").

As at 31 December 2024, the shareholder loans provided by the Group to Luosiwan of approximately RMB2,659 million (the "**Luosiwan Loan**") is subject to continuing discussions among Luosiwan and its shareholders after maturity. Please refer to the Company's announcement dated 26 August 2021 and 11 April 2022 for details of the Luosiwan Loan.

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For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

Note: (continued)

The Impairment Loss was determined by the Company based on the impairment assessment under expected credit loss model on financial assets in accordance with HKFRS 9. As the respective property markets in Kunming continued a downward trend in 2023 and 2024, the selling price of residential properties and the demand from potential purchasers in the respective property markets were subdued. As a result, the sales from the underlying projects of Luosiwan (the "**Luosiwan Project**") was reduced and contributed to a decrease in cash inflow for Luosiwan in 2023 and 2024, and the repayment of shareholder loans by Luosiwan was affected. The Company assessed the recoverable amounts of the Luosiwan Loan with future cashflow and discounting factors to determine the respective expected credit loss, after taking into account of mainly (a) the project specific risks of the Luosiwan Project; (b) the detailed review of the future development plans for the remaining portion of the Luosiwan Project not yet sold; (c) the estimated sales from the remaining portion of the Luosiwan Project not yet sold; (d) the estimated costs and expenditure for the development of the remaining portion of the Luosiwan Project; and (e) the prospects of the relevant property markets. The discount rate of 3.6% (2023: 4.2%) was applied for determining the expected credit loss relating to the Luosiwan Loan.

The following table shows reconciliation of loss allowances that has been recognised for amount due from fellow subsidiaries:

	12m ECL RMB'000
As at 1 January 2023	7,336
– Impairment losses recognised	1,431
As at 31 December 2023	8,767
– Impairment losses recognised	6,448
As at 31 December 2024	15,215

The following table shows reconciliation of loss allowances that has been recognised for amount due from joint ventures:

	12m ECL RMB'000
As at 1 January 2023	45,764
– Impairment losses recognised	193
As at 31 December 2023	45,957
– Impairment losses recognised	40,225
As at 31 December 2024	86,182

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For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management (continued)

The following table shows reconciliation of loss allowances that has been recognised for amount due from non-controlling interest:

	12m ECL
	RMB'000
As at 1 January 2023	71
– Impairment losses recognised	24,646
As at 31 December 2023	24,717
– Impairment losses recognised	163
– Impairment losses reversal	(600)
As at 31 December 2024	24,280

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following tables detail the contractual maturity of the Group for its non-derivative financial liabilities and derivative instrument. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of each reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

The following table shows reconciliation of loss allowances that has been recognised for amount due from associates:

	12m ECL
	RMB'000
As at 31 December 2023	–
– Impairment losses recognised	9,430
As at 31 December 2024	9,430

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For the year ended 31 December 2024

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk management (continued)

The following table shows reconciliation of loss allowances that has been recognised for loans to non-controlling interest:

	12m ECL RMB'000
As at 31 December 2023	–
– Impairment losses recognised	4,438
As at 31 December 2024	4,438

Liquidity tables

	Weighted average interest rate %	Repayable on demand or within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2024							
Accounts payable	–	4,309,380	–	–	–	4,309,380	4,309,380
Other payables at amortised cost		4,576,115	176,390	329,150	66,454	5,148,109	5,148,109
Lease liabilities	3.65%-4.90%	76,703	55,521	136,713	64,738	333,675	322,337
Bank borrowings	2.50%-6.05%	5,566,226	6,093,591	16,963,875	5,117,993	33,741,685	29,837,415
Amount due to the ultimate holding company	–	4	–	–	–	4	4
Amount due to an intermediate holding company	–	690	–	–	–	690	690
Amounts due to non-controlling interests	–	342,296	–	–	–	342,296	342,296
Amounts due to joint ventures	–	204,827	–	–	–	204,827	204,827
Amount due to an associate	–	644,347	–	–	–	644,347	644,347
Amounts due to fellow subsidiaries	–	437,144	–	–	–	437,144	437,144
Loan from a joint venture	1.20%	2,319,898	3,617,698	–	–	5,937,596	5,824,800
Loan from an associate	0.00%-4.00%	268,667	39,200	1,507,822	–	1,815,689	1,805,356
Loans from fellow subsidiaries	6.37%-6.64%	179,953	63,776	–	–	243,729	225,463
Loans from third parties	5.15%	1,323,600	1,261,800	–	–	2,585,400	2,400,000
Bonds payable	3.08%-4.10%	1,894,233	1,590,210	721,910	–	4,206,353	4,079,710
		22,144,083	12,898,186	19,659,470	5,249,185	59,950,924	55,581,878
Financial guarantee contracts		4,528,138	–	–	–	4,528,138	4,528,138
Derivatives – net settlement							
Foreign exchange forward contract		3,982	–	–	–	3,982	3,982

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk management (continued)

Liquidity tables (continued)

	Weighted average interest rate %	Repayable on demand or within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2023							
Accounts payable	–	5,437,282	–	–	–	5,437,282	5,437,282
Other payables at amortised cost	–	3,936,631	268,201	240,170	64,087	4,509,089	4,509,089
Lease liabilities	3.97%-4.90%	52,000	49,863	29,593	4,350	135,806	125,222
Obligation arising from put option to non-controlling shareholder	5.00%	389,517	–	–	–	389,517	389,517
Bank borrowings	2.35%-6.91%	8,415,530	4,708,856	13,176,409	1,926,247	28,227,042	25,549,907
Amount due to the ultimate holding company	–	4	–	–	–	4	4
Amount due to an intermediate holding company	–	611	–	–	–	611	611
Amounts due to non-controlling interests	–	293,835	–	–	–	293,835	293,835
Amounts due to joint ventures	–	819,166	–	–	–	819,166	819,166
Amount due to an associate	–	742,603	–	–	–	742,603	742,603
Amounts due to fellow subsidiaries	–	210,763	–	–	–	210,763	210,763
Loan from a joint venture	3.85%	–	6,049,055	–	–	6,049,055	5,824,800
Loan from an associate	4.00%	–	258,892	–	–	258,892	248,934
Loans from fellow subsidiaries	3.65%-7.47%	620,125	2,940	–	–	623,065	593,701
Loans from non-controlling interests	5.50%	–	100,073	–	–	100,073	94,856
Loans from third parties	3.80%-5.20%	1,023,723	517,813	4,713,107	2,028,687	8,283,330	7,898,800
Bonds payable	3.08%-4.10%	837,354	1,843,040	1,568,300	–	4,248,694	4,084,553
		22,779,144	13,798,733	19,727,579	4,023,371	60,328,827	56,823,643
Financial guarantee contracts		6,024,302	–	–	–	6,024,302	6,024,302
Derivatives – net settlement							
Interest rate swaps		127,730	–	–	–	127,730	127,730
Foreign exchange forward contract		3,447	–	–	–	3,447	3,447
		131,177	–	–	–	131,177	131,177

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 expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the 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 are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value

In estimating the fair value, the Group uses market-observable data to the extent it is available. Except for interest rate swaps, foreign currency forward contracts, loan to an associate, and obligation arising from put option to non-controlling shareholder, there is no other material financial instruments measured at fair value on a recurring basis. The following table gives information about how the fair values of these financial assets and financial liabilities are determined. There has been no change from the valuation technique used in the prior year.

Financial assets/liabilities	Fair value as at 31 December 2024	Fair value as at 31 December 2023	Fair value hierarchy	Valuation technique(s) and key input(s)
Interest rate swaps (designed as hedging instruments)	–	Assets – RMB127,730,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign currency forward contracts (designed as hedging instruments)	**Assets – RMB3,982,000**	Assets – RMB3,447,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Loan to an associate	**Assets – RMB372,062,000**	Assets – RMB389,875,000	Level 3	Discounted cash flow. Future cash flows are estimated based on expected repayment of the loan from pre-sale proceeds arising from the properties of the associate, discounted at a rate that reflects the credit risk of the associate. A slight increase in the discounted rate used would result in a significant decrease in fair value, and vice versa.
Obligation arising from put option to non-controlling shareholder	–	Liabilities – RMB389,517,000	Level 3	Discounted cash flow. Future cash flows are estimated based on the expected future economic benefits derived from the 49% ownership interest in Joy Valley held by the Partner, discounted at an appropriate discount rate. A slight increase in the discounted rate used would result in a significant decrease in fair value, and vice versa.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

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44. 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. Apart from the above, the Group's overall strategy remains unchanged throughout the current and prior years.

The capital structure of the Group consists of net debt (which includes bank borrowings, loans from and/or amounts due to holding companies, fellow subsidiaries, joint venture, third parties and non-controlling interests, bonds payable), net of cash and cash equivalents and equity attributable to owners of the Company (comprising issued equity, CPS, reserves and retained profits as disclosed in consolidated statement of changes in equity).

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance its overall capital structure. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details major changes in the Group's liabilities arising from financing activities, including both 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.

	Borrowings RMB'000 (Note 31)	Interest payable RMB'000 (Note 30)	Loans from fellow subsidiaries RMB'000 (Note 23)	Loans from third parties RMB'000 (Note 23)	Loans from non-controlling interests RMB'000 (Note 23)	Loan from a joint venture RMB'000 (Note 43)	Loan from an associate RMB'000 (Note 32)	Bonds payable RMB'000 (Note 27)	Amount due to an associate RMB'000 (Note 27)	Amounts due to fellow subsidiaries RMB'000 (Note 27)	Amounts are to non-controlling interests RMB'000 (Note 27)	Amount due to joint ventures RMB'000 (Note 27)	Dividend payable RMB'000 (Note 12 and (i))	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	25,549,907	36,967	593,701	7,898,800	94,856	5,824,800	248,934	4,084,553	742,603	210,763	293,835	819,166	54,947	125,221	46,579,053
Financing cash flows	4,065,882	(1,463,039)	(373,000)	(5,498,800)	(94,856)	-	1,556,422	(137,026)	(109,872)	(55,963)	(6,556)	(677,322)	-	(36,443)	(2,830,573)
Exchange realignment	221,626	(7,806)	4,762	-	-	-	-	-	-	-	-	-	-	-	218,582
Interest expense	-	1,466,942	-	-	-	-	-	132,844	9,897	18,842	1,738	137,762	-	19,319	1,787,344
Others	-	-	-	-	-	-	-	(661)	1,719	263,502	53,279	(74,779)	-	214,240	457,300
At 31 December 2024	29,837,415	33,064	225,463	2,400,000	-	5,824,800	1,805,356	4,079,710	644,347	437,144	342,296	204,827	54,947	322,337	46,211,706

Note (i): Dividend payable was included under other payable and accruals.

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45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

The table below details major changes in the Group's liabilities arising from financing activities, including both 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.

	Borrowings RMB'000 (Note 31)	Interest payable RMB'000 (Note 30)	Loans from fellow subsidiaries RMB'000 (Note 23)	Loans from third parties RMB'000 (Note 23)	Loans from non-controlling interests RMB'000 (Note 23)	Loan from a joint venture RMB'000 (Note 23)	Loan from an associate RMB'000 (Note 32)	Bonds payable RMB'000 (Note 27)	Amount due to an associate RMB'000 (Note 27)	Amounts due to fellow subsidiaries RMB'000 (Note 27)	Amounts due to non-controlling interests RMB'000 (Note 27)	Amount due to joint ventures RMB'000 (Note 27)	Dividend payable RMB'000 (Note 12 and (i))	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	24,342,372	37,984	1,290,149	7,924,360	2,654,887	5,574,800	–	3,979,921	511,904	287,899	199,064	789,190	54,947	202,814	47,850,291
Financing cash flows	(2,830,377)	(1,582,966)	(699,560)	(25,560)	(2,560,031)	250,000	248,934	(32,217)	231,473	(23,108)	(86,245)	(220,305)	–	(89,262)	(7,419,224)
Exchange realignment	180,202	(6,141)	3,112	–	–	–	–	–	–	(1,234)	–	–	–	–	175,939
Acquisition of a subsidiary	3,857,710	–	–	–	–	–	–	–	–	4,000	–	–	–	–	3,861,710
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(115,104)	–	–	–	–	(115,104)
Interest expense	–	1,588,090	–	–	–	–	–	137,320	9,940	40,133	36,175	219,525	–	8,251	2,039,434
Others	–	–	–	–	–	–	–	(471)	(10,714)	18,177	144,841	30,756	–	3,418	186,007
At 31 December 2023	25,549,907	36,967	593,701	7,898,800	94,856	5,824,800	248,934	4,084,553	742,603	210,763	293,835	819,166	54,947	125,221	46,579,053

Note (i): Dividend payable was included under other payable and accruals.

46. ACQUISTION OF A SUBSIDIARY

On 5 September 2023, the Group entered into a Sale and Purchase Agreement with Shanghai Zhonghong (Group) Company Limited, a company incorporated in the PRC with limited liability and an independent third party, to acquire entire equity interest in Shanghai Yao Yao Lu Construction Development Company Limited ("**Yao Yao Lu**") at a consideration of RMB1,196,000,000 and the shareholder's loan of RMB4,000,000 in aggregate. The principal activity of Yao Yao Lu is the holding and development of the land located in Hongkou District, Shanghai, the PRC, and its identifiable assets are mainly properties under development for sale. The Group elected to apply the optional concentration test in accordance with HKFRS 3 Business Combinations. The acquisition has been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets (properties under development held for sale). The transaction was completed on 14 September 2023.

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46. ACQUISTION OF A SUBSIDIARY (continued)

A summary of fair value of the identifiable assets and liabilities of Yao Yao Lu acquired at the date of the above acquisition was as follows:

	RMB'000
Deferred tax assets	679
Properties under development for sale	5,161,332
Other receivable	78
Cash and bank balances	202
Accounts payable	(100,056)
Other payable	(4,525)
Amount due to a fellow subsidiary	(4,000)
Borrowings	(3,857,710)
	1,196,000
Cash consideration in aggregate and paid in this year	1,200,000
Related shareholder's loan undertook by Joy City (Shanghai) Real Estate Co., Ltd.	(4,000)
Cash and bank balances acquired	(202)
Net cash outflow from acquisition of a subsidiary under:	
– Asset acquisition	1,195,798

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47. DISPOSAL OF SUBSIDIARIES

(a) During the year ended 31 December 2024

The Company disposed certain subsidiaries and result to a net gains on disposed of subsidiaries amounted to RMB618,784,000, which comprised of gain on disposal of Chengdu Boyue Commercial Management Co., Ltd. and net gains on disposal of certain insignificant subsidiaries amounted to RMB617,778,000 and RMB1,006,000 respectively.

Chengdu Boyue Commercial Management Co., Ltd.

Pursuant to the circular of the Company dated 25 June 2024, the Company proposed to transfer the entire equity interest in the Chengdu Boyue Commercial Management Co., Ltd.* ("**New Project Company**" or "**Chengdu Boyue**")(成都博悅商業管理有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company, which holds the Chengdu Joy City(成都大悅城)(the "**Project**"), by the Zhuoyuan Property (Chengdu) Company Limited* (the "**Project Company**")(卓遠地產(成都)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company, to the GJOY REIT and the subscription for 40% of the total units of the GJOY REIT by the Project Company ("**Spin off**"). The Project comprises of the shopping centre and carpark spaces located on Dayue Road, Wuhou District, Chengdu, the PRC and its entire interest is held by the New Project Company as of the 19 June 2024.

The Spin-off have been fulfilled and the GJOY REIT has been listed on the Shenzhen Stock Exchange since 20 September 2024 (the "**Disposal Date**") with trading code 180603.SZ.

The REIT offered 1,000,000,000 Units at the final offer price of RMB3.323 per Unit (the "**Final Offer Price**") and, based on the Final Offer Price, the total amount of gross proceeds from the Proposed Listing is approximately RMB3,323,000,000. The Project Company has subscribed for 40% of the total units in issue as a strategic investor.

Based on such gross proceeds and excluding the subscription fee by the Company and related costs and taxes, the net proceeds that were received by the Company from the Spin-off is approximately RMB1,718,777,000 (represented by the gross proceeds received from Spin-off of RMB3,323,000,000, net of (i) subscription fee of RMB1,329,200,000, (ii) related costs and taxes of RMB6,000,000 and (iii) cash and cash equivalents disposed of RMB269,023,000).

Immediately after the completion of the Spin-off, the Company's indirect interest in the Project has been reduced from 100% to approximately 40% and the financial results of the Project ceased to be consolidated into the Group's financial statements and recognised as "**Interests in Associates**" (Note 20) in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

47. DISPOSAL OF SUBSIDIARIES (continued)

(a) During the year ended 31 December 2024 (continued)

Chengdu Boyue Commercial Management Co., Ltd. (continued)

Details of the disposal are set out below:

	As at Disposal Date RMB'000
Analysis of assets and liabilities over which control was lost:	
Investment properties	3,042,900
Accounts receivable	35,349
Deposits, prepayments and other receivables	3,919
Cash and bank balances	269,023
Other payables and accruals	(130,401)
Contract liabilities	(2,709)
Tax payable	(16,185)
Deferred tax liabilities	(502,674)
Net assets disposed of	2,699,222
Gain on disposal of subsidiaries:	
Consideration on disposal	3,323,000
Net assets disposed of	(2,699,222)
Transaction cost attributable to the disposal	(6,000)
Gain on disposal	617,778
Net cash inflow from disposal of subsidiaries:	
Consideration received in cash and cash equivalents	3,323,000
Less: Subscription fee for 40% of the total units of the REIT	(1,329,200)
Transaction cost attributable to the disposal paid during the year	(6,000)
Cash and cash equivalents disposed of	(269,023)
Net cash inflow	1,718,777

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

47. DISPOSAL OF SUBSIDIARIES (continued)

(b) For the year ended 31 December 2023

Disposal of Shanghai Top Glory Real Estate Development Co., Ltd. ("Shanghai Top Glory")

On 27 September 2023, Jetway Developments Limited ("**Jetway**"), a direct wholly-owned subsidiary of the Company, and Shanghai Yongpeng Shiye Limited ("**Shanghai Yongpeng**"), a company established in the PRC with limited liability and an independent third party entered into an equity transfer agreement, pursuant to which Jetway has conditionally agreed to sell, and Shanghai Yongpeng conditionally agreed to acquire, the entire equity interest of Shanghai Top Glory for a Consideration of approximately RMB4,142,392,000. Shanghai Top Glory primarily holds properties located at the CBD of Lujiazui in the Pudong New Area of Shanghai, the PRC.

The transaction was completed in November 2023.

Disposal of Beijing Kunting Asset Management Co., Ltd. ("Beijing Kunting")

On 28 September 2023, Xidan Joy City Co., Ltd. ("**Xidan Joy City**"), an indirect non wholly-owned subsidiary of the Company, and China Post Life Insurance Company Limited ("**China Post Life Insurance**"), a company established in the PRC with limited liability and an independent third party entered into an equity transfer agreement, pursuant to which Xidan Joy City has conditionally agreed to sell, and China Post Life Insurance conditionally agreed to acquire, the entire equity interest of Beijing Kunting and related shareholder's loans for a Consideration of approximately RMB4,255,847,000. Beijing Kunting primarily holds properties located in Dongcheng District, Beijing, the PRC.

The transaction was completed in November 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

47. DISPOSAL OF SUBSIDIARIES (continued)

(b) For the year ended 31 December 2023 (continued)

Disposal of Beijing Kunting Asset Management Co., Ltd. ("Beijing Kunting") (continued)

Details of the disposals are set out below:

	Shanghai Top Glory RMB'000	Beijing Kunting RMB'000	Total RMB'000
Analysis of assets and liabilities over which control was lost:			
Investment properties	4,747,000	3,022,000	7,769,000
Property, plants and equipment	5,063	20,054	25,117
Intangible assets	127	406	533
Deferred tax assets	47,970	–	47,970
Accounts receivable	–	2,317	2,317
Deposits, prepayments and other receivables	610	48,359	48,969
Tax recoverable	14,158	–	14,158
Cash and bank balances	151,383	59,201	210,584
Other payables and accruals	(37,907)	(905,595)	(943,502)
Tax payable	–	(111)	(111)
Deferred tax liabilities	(1,043,288)	(300,023)	(1,343,311)
Net assets disposed of	3,885,116	1,946,608	5,831,724
Gain on disposal of subsidiaries:			
Consideration on disposal	4,142,392	4,255,847	8,398,239
Net assets disposed of	(3,885,116)	(1,946,608)	(5,831,724)
Related shareholder's loan undertook by China Post Life Insurance	–	(807,000)	(807,000)
Transaction cost attributable to the disposal	(2,071)	(112,545)	(114,616)
Gain on disposal	255,205	1,389,694	1,644,899
Net cash inflow from disposal of subsidiaries:			
Consideration received in cash and cash equivalents	4,142,392	4,255,847	8,398,239
Less: Related shareholder's loan undertook by China Post Life Insurance	–	(807,000)	(807,000)
Less: Transaction cost attributable to the disposal paid during the year	(2,071)	–	(2,071)
Less: Cash and cash equivalents disposed of	(151,383)	(59,201)	(210,584)
Net cash inflow	3,988,938	3,389,646	7,378,584

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

48. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year.

Guarantee provided

Corporate guarantees were executed by a fellow subsidiary and the immediate holding company in relation to certain of the Group's loans from third parties and bank borrowings. Details of which are disclosed in the Notes 23 and 31 respectively above.

Related party transactions

During the year, the Group had the following material transactions with related parties.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue from leasing of properties to:		
Fellow subsidiaries*	**122,919**	131,865
Intermediate holding company*	**3,358**	2,825
Ultimate holding company*	**–**	3
Immediate holding company*	**39**	52
Provision of property management service to:		
Fellow subsidiaries*	**2,018**	1,703
Intermediate holding company*	**484**	465
Provision of property management service by:		
Fellow subsidiaries*	**94,023**	60,020
Associates	**164**	–
Provision of output management project service to:		
Non-controlling interests	**19,024**	18,859
Joint ventures	**28,730**	28,035
Associates	**36,677**	8,252
Other revenue from:		
Fellow subsidiaries	**1,620**	700
Joint ventures	**1,172**	36,079
Associates	**27,863**	–
Sourcing of staple supplies and catering services from:		
Fellow subsidiaries*	**13,038**	9,660
Ultimate holding company*	**–**	2,527
Non-controlling interests	**3,793**	6,803
Joint ventures	**123**	123

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

48. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party transactions (continued)

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Services fee for entrust loans from:		
Fellow subsidiaries*	**1,648**	1,873
Interest income from:		
Joint ventures	**–**	191
Associates	**–**	153,294
Fellow subsidiaries	**31,974**	31,336
Non-controlling interests	**42,608**	26,667
Interest expense to:		
Fellow subsidiaries	**18,842**	40,133
A joint venture	**137,762**	219,525
Associates	**9,897**	9,940
Non-controlling interests	**1,738**	36,175
Other expense to:		
Fellow subsidiaries	**17,588**	29,070

* These related party transactions also constituted continuing connected transactions according to the Listing Rules.

Related party balances

COFCO Finance Co., Ltd ("**COFCO Finance**"), a fellow subsidiary, is a non-banking financial institution regulated by the People's Bank of China (the "**PBOC**") and the China Banking and Insurance Regulatory Commission. In the PRC, deposit and lending rates are set by the PBOC which is applicable to all financial institutions. The interest rates offered by COFCO Finance are the same as the rates promulgated by the PBOC. The loans from COFCO Finance to the Group at 31 December 2024 amounted to nil (2023: RMB373,000,000). The deposits placed in COFCO Finance were RMB2,485,000,000 (2023: RMB2,460,000,000) at 31 December 2024.

Details of the Group's balances with related parties are disclosed in Notes 23 and 27. Except for balances with related parties below which are trade in nature, the remaining balances are non-trade in nature. The following is an aged analysis of balances with related parties which are trade in nature at the end of the reporting period based on invoice date.

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48. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party balances (continued)

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Amounts due from fellow subsidiaries:		
Within 1 year	**12,887**	20,171
Amounts due to fellow subsidiaries:		
Within 1 year	**77,522**	65,289

Compensation of key management personnel of the Group

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, allowance and other benefits	**12,898**	17,361
Retirement benefits scheme contributions	**1,384**	1,611
	14,282	18,972

The key management personnel of the Group includes the Directors and certain top executives of the Company. The remuneration of certain of these Directors and top executives was borne by the ultimate holding company or fellow subsidiaries during the current and prior years. Further details of Directors' emoluments are included in Note 14.

Transactions with other government – related entities in the PRC

The Group itself is part of a larger group of companies under COFCO Corporation which is controlled by the PRC government. Thus, the Directors consider that the Group is ultimately controlled by the PRC government. In addition, the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("**PRC government-related entities**"). Apart from the transactions and balances with the ultimate holding company, an intermediate holding company and fellow subsidiaries set out in "Related party transactions" and "Related party balances" above, the Group also conducts businesses with other PRC government-related entities in the ordinary course of business. Certain of the Group's bank deposits and bank borrowings are entered into with certain banks which are PRC government-related entities in its ordinary course of business. In view of the nature of those banking transactions, the Directors are of the opinion that separate disclosures would not be meaningful. In addition, the Group entered into various transactions, including purchases of land use rights, construction of properties and other operating expenses with other PRC government– related entities in the ordinary course of business. The pricing and the selection of suppliers and service providers are not dependent on whether the counterparties are PRC government-related entities or not. In the opinion of the Directors, the above transactions are collectively significant transactions of the Group with PRC government-related entities.

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49. COMPOSITION OF THE GROUP

Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation/ establishment and place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests RMB'000	Accumulated non-controlling interests RMB'000 (Note (a))
Year ended 31 December 2024				
Sanya Yalong Development Company Limited and its subsidiaries ("**Yalong Development group**")	**PRC**	**43.0%**	**46,490**	**1,650,237**
Fortune Set	**BVI**	**49.0%**	**619,521**	**9,815,031**
Sunny Ease	**BVI**	**49.0%**	**(57,039)**	**2,016,815**
Speedy Cosmo Limited ("**Speedy Cosmo**")	**HK**	**45.0%**	**90,356**	**1,576,379**
Individually immaterial subsidiaries with non-controlling interests			**162,256**	**5,626,548**
Total			**861,584**	**20,685,010**

Name of subsidiary	Place of incorporation/ establishment and place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests RMB'000	Accumulated non-controlling interests RMB'000 (Note (a))
Year ended 31 December 2023				
Yalong Development group	PRC	43.0%	8,183	1,812,656
Fortune Set	BVI	49.0%	738,178	9,950,466
Sunny Ease	BVI	49.0%	(63,996)	2,162,360
Speedy Cosmo	HK	45.0%	33,776	1,486,023
Individually immaterial subsidiaries with non-controlling interests			69,132	5,508,098
Total			785,273	20,919,603

Note:

(a) The amounts represent the consolidated amount of these non-wholly-owned subsidiaries and their respective subsidiaries, as applicable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

49. COMPOSITION OF THE GROUP (continued)

Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

Summarised consolidated financial information in respect of each of the subsidiaries that has material non-controlling interests is set out below. The summarised consolidated financial information below represents amounts before intragroup eliminations.

Yalong Development group

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets	**7,089,830**	7,534,227
Non-current assets	**2,895,880**	2,625,973
Current liabilities	**(4,163,309)**	(4,940,967)
Non-current liabilities	**(1,106,552)**	(754,865)
Net assets	**4,715,849**	4,464,368
Equity attributable to:		
Owners of the Company	**3,065,612**	2,651,711
Non-controlling interests	**1,547,323**	1,500,763
Non-controlling interests of subsidiary	**102,914**	311,894
Total equity	**4,715,849**	4,464,368

Notes to the Consolidated Financial Statements

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49. COMPOSITION OF THE GROUP (continued)

Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

Yalong Development group (continued)

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	**1,434,582**	1,369,931
Other income, and other gains and losses, net	**26,291**	(42,409)
Fair value gain of investment properties	**(5,766)**	(102,623)
Total expenses	**(1,346,930)**	(1,210,080)
Profit and total comprehensive income for the year	**108,177**	14,819
Profit and total comprehensive income attributable to:		
Owners of the Company	**61,687**	6,636
Non-controlling interests	**46,559**	6,378
Non-controlling interests of subsidiary	**(69)**	1,805
	108,177	14,819
Dividends declared to non-controlling interests	**(13,895)**	(2,003)
Net cash (outflow)/inflow from:		
Operating activities	**(284,037)**	350,833
Investing activities	**(1,079,999)**	(366,168)
Financing activities	**1,213,587**	178,142
Net cash (outflow)/inflow	**(150,449)**	162,807

Notes to the Consolidated Financial Statements

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49. COMPOSITION OF THE GROUP (continued)

Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

Fortune Set

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets	**14,696,945**	16,393,007
Non-current assets	**27,404,867**	27,187,220
Current liabilities	**(19,968,666)**	(21,755,862)
Non-current liabilities	**(668,924)**	(5,153)
Net assets	**21,464,222**	21,819,212
Equity attributable to: Owners of the Company	**7,261,079**	7,441,789
Perpetual capital instruments	**4,388,112**	4,426,959
Non-controlling interests	**9,226,859**	9,400,482
Non-controlling interests of subsidiary	**588,172**	549,982
	21,464,222	21,819,212

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	**2,369,267**	2,660,641
Other income, and other gains and losses, net	**365,077**	1,415,062
Total expenses	**(1,320,361)**	(2,363,337)
Profit and total comprehensive income for the year	**1,413,983**	1,712,366
Profit and total comprehensive income attributable to:		
Owners of the Company	**605,059**	718,250
Perpetual capital instruments	**189,403**	255,938
Non-controlling interests	**581,331**	690,083
Non-controlling interests of subsidiary	**38,190**	48,095
Profit and total comprehensive income for the year	**1,413,983**	1,712,366
Dividends declared to non-controlling interests	**(754,954)**	(260,625)
Net cash inflow/(outflow) from:		
Operating activities	**475,071**	1,996,855
Investing activities	**7,112**	1,641,106
Financing activities	**(549,961)**	(4,277,340)
Net cash outflow	**(67,778)**	(639,379)

Notes to the Consolidated Financial Statements

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49. COMPOSITION OF THE GROUP (continued)

Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

Sunny Ease

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets	**5,256,434**	3,698,318
Non-current assets	**5,309,712**	5,394,530
Current liabilities	**(8,290,336)**	(6,512,371)
Total equity	**2,275,810**	2,580,477
Equity attributable to:		
Owners of the Company	**258,995**	418,117
Non-controlling interests	**2,016,815**	2,162,360
Total equity	**2,275,810**	2,580,477

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	**292,036**	295,154
Other income, and other gains and losses, net	**(79,242)**	9,807
Total expenses	**(329,199)**	(435,565)
Loss and total comprehensive expense for the year	**(116,405)**	(130,604)
Loss and comprehensive expense attributable to:		
Owners of the Company	**(59,366)**	(66,608)
Non-controlling interests	**(57,039)**	(63,996)
Loss and total comprehensive expense for the year	**(116,405)**	(130,604)
Dividends declared to non-controlling interests	**(88,506)**	(36,271)
Net cash inflow/(outflow) from:		
Operating activities	**99,213**	358,286
Investing activities	**(12,135)**	(8,858)
Financing activities	**(136,025)**	(793,969)
Net cash outflow	**(48,947)**	(444,541)

Notes to the Consolidated Financial Statements

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49. COMPOSITION OF THE GROUP (continued)

Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

Speedy Cosmo

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets	**1,174,979**	1,761,722
Non-current assets	**3,510,426**	3,181,719
Current liabilities	**(1,125,376)**	(1,510,382)
Non-current liabilities	**(55,719)**	(47,567)
	3,504,310	3,385,492
Equity attributable to:		
Owners of the Company	**1,927,931**	1,816,248
Perpetual capital instruments	**–**	83,221
Non-controlling interests	**1,576,379**	1,486,023
Total equity	**3,504,310**	3,385,492

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	**657,669**	324,816
Other income, and other gains and losses, net	**16,863**	13,998
Fair value gain of investment properties	**40,159**	33,591
Total expenses	**(513,899)**	(297,348)
Profit and total comprehensive income for the year	**200,792**	75,057
Profit/(loss) and total comprehensive income/(expense) attributable to:		
Owners of the Company	**111,683**	41,281
Perpetual capital instruments	**(1,247)**	–
Non-controlling interests	**90,356**	33,776
Profit and total comprehensive income for the year	**200,792**	75,057
Net cash inflow/(outflow) from:		
Operating activities	**215,996**	608,695
Investing activities	**(33,558)**	(7,633)
Financing activities	**(124,738)**	(40,732)
Net cash inflow	**57,700**	560,330

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50. DETAILS OF SUBSIDIARIES

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	2024	2023	
Entities incorporated in Hong Kong and operating principally in Hong Kong						
Bapton Company Limited	HK$2	–	–	100%	100%	Property investment
Joy Sincere (Hong Kong) Limited	HK$390,656,370	–	–	51.96%	51.96%	Investment holding
Entities established in the PRC and operating principally in the PRC						
中糧置業投資有限公司 (COFCO) (Note (c) and (e))	RMB5,000,000,000	–	–	100%	100%	Investment holding
西單大悅城有限公司 (Xidan Joy City Co., Ltd*) ("**Xidan Joy City**") (Note (d))	RMB1,025,000,000	–	–	100%	100%	Property investment and development
北京弘泰基業房地產有限公司 (Beijing Hongtaijiye Real Estate Co., Ltd.*) (Note (d))	RMB1,055,000,000	–	–	90%	90%	Property investment and development
大悅城（天津）有限公司 (Joy City (Tianjin) Co., Ltd.*) (Note (b))	RMB1,120,000,000	–	–	100%	100%	Property investment and development
大悅城（上海）有限責任公司 (Joy City (Shanghai) Co., Ltd.*) (Note (d) and (h))	Nil (2023: RMB520,000,000)	–	–	–	100%	Property management
上海新蘭房地產開發有限公司 (Shanghai Xinlan Real Estate Development Co., Ltd.*) (Note (d))	RMB4,200,000,000	–	–	100%	100%	Property investment and development
瀋陽大悅城房產開發有限公司 (Shenyang Joy City Real Estate Development Co., Ltd.*) (Note (c))	US$129,300,000	–	–	100%	100%	Property investment and development
瀋陽大悅城商業管理有限公司 (Shenyang Joy City Commercial Management Co., Ltd.*) (Note (d) and (h))	Nil (2023: RMB1,080,000)	–	–	–	100%	Property management

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

50. DETAILS OF SUBSIDIARIES (continued)

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	**2024**	2023	
Entities established in the PRC and operating principally in the PRC (continued)						
煙臺大悅城有限公司 (Yantai Joy City Co., Ltd.*) ("**Yantai Joy City Co**") (Note (c))	RMB900,000,000	**–**	–	**100%**	100%	Property investment and development
中糧酒店(三亞)有限公司 (COFCO Hotel (Sanya) Limited*) (Note (c))	US$165,500,000	**–**	–	**100%**	100%	Hotel ownership and operations
三亞亞龍灣開發股份有限公 (Sanya Yalong Development Company Limited*) (Note (b))	RMB671,000,000	**–**	–	**56.96%**	56.96%	Property development and hotel ownership
三亞亞龍灣熱帶海岸公園管理有限公司 (Sanya Yalong Tropical Coast Park Management Co., Ltd.*) (Noted (d))	RMB3,000,000	**–**	–	**100%**	100%	Provision of tourism service
三亞虹霞開發建設有限公司 (Sanya Hongxia Development & Construction Co., Ltd.*) (Note (d))	RMB300,000,000 (2023: RMB1,339,500,000)	**–**	–	**80%**	80%	Property development
三亞悅晟開發建設有限公司 (Sanya Yuesheng Development Company Limited*) (Note(d))	RMB50,000,000 (2023: RMB499,500,000)	**–**	–	**100%**	100%	Property development
北京中糧廣場發展有限公司 (Beijing COFCO Plaza Development Co., Ltd.*) (Note (b))	US$33,300,000	**–**	–	**100%**	100%	Property investment
中糧鵬利(成都)實業發展有限公司 (COFCO Top Glory (Chengdu) Real Estate Development Co., Ltd.*) (Note (c))	US$18,000,000	**–**	–	**100%**	100%	Property development
卓遠地產(成都)有限公司 (Zhuoyuan Property (Chengdu) Co., Ltd.*) (Note (c))	US$166,250,000	**–**	–	**100%**	100%	Property investment and development
浙江和潤天成置業有限公司 (Herun Tiancheng) (Note (c))	RMB2,300,000,000 (2023: RMB2,500,000,000)	**–**	–	**100%**	100%	Property investment and development

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For the year ended 31 December 2024

50. DETAILS OF SUBSIDIARIES (continued)

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	2024	2023	
Entities established in the PRC and operating principally in the PRC (continued)						
上海悦耀置業發展有限公司 (Shanghai Yueyao Development Co., Ltd.*) (Note (b))	RMB8,000,000	–	–	50%	50%	Property development
四川中國酒城股份有限公司 (Sichuan China Jiucheng Co., Ltd.*) (Note (d))	RMB80,308,230	–	–	69.65%	69.65%	Property development
重慶澤悦實業有限公司 (Chongqing Zeyue Co., Ltd.*) (Note (c))	RMB900,000,000	–	–	100%	100%	Property development
青島大悦城房地產開發有限公司 (Qingdao Joy City Co., Ltd.*) (Note (c))	RMB1,329,880,000	–	–	100%	100%	Property development
青島智悦置地有限公司 (Qingdao Zhiyue Co., Ltd.*) (Note (c))	US$100,000,000	–	–	100%	100%	Property development
武漢大悦城房地產開發有限公司 (Wuhan Joy City Co., Ltd.*) (Note (c))	RMB1,457,370,000	–	–	100%	100%	Property development
瀋陽和韜房地產開發有限公司 (Shenyang Hetao Real Estate Development Co., Ltd.*) (Note (c))	US$85,000,000	–	–	100%	100%	Property development
成都天府辰悦置業有限公司 (Chengdu Tianfu Chenyue Development Co., Ltd.*) (Note (c))	RMB630,000,000	–	–	100%	100%	Property investment and development
陝西鼎安置業有限公司 (Shanxi Dingan Development Co., Ltd.*) (Note (b))	RMB2,037,113,051	–	–	51%	51%	Property development
濟南大悦城產業發展有限公司 (Jinan Joy City Co., Ltd.*) (Note (b))	RMB1,191,666,667	–	–	60%	60%	Property development
大悦城三亞投資有限公司 (Sanya Joy city investment Co. Ltd.*) (Note (d))	RMB300,000,000	–	–	100%	100%	Property development

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For the year ended 31 December 2024

50. DETAILS OF SUBSIDIARIES (continued)

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	2024	2023	
Entities established in the PRC and operating principally in the PRC (continued)						
三亞悅港企業管理有限公司 (Sanya Yuegang Development Co., Ltd.*) (Note (c))	RMB349,525,000	–	–	**100%**	100%	Property investment
臺灣飯店有限公司 (Taiwan Hotel Limited*) (Note (c))	RMB1,078,240,000 (2023: RMB489,240,002)	–	–	**100%**	100%	Hotel ownership and operations
蘇州相之悅房地產開發有限公司 (Suzhou Xiangzhiyue Real Estate Development Co., Ltd.*) (Note (d))	RMB1,100,000,000	–	–	**50.10%**	50.10%	Property investment and development
廈門市悅集商業管理有限公司 (Xiamen Yueji Properties Management Co., Ltd.*) (Note (b))	RMB1,400,000,000	–	–	**51%**	51%	Property investment and development
大悅城商業管理(北京)有限公司 (Joy City Commercial Management (Beijing) Co., Ltd.*) (Note (d))	RMB10,000,000	–	–	**100%**	100%	Property management
成都中粮悅街企業管理有限公司 (Chengdu COFCO Yuejie Enterprise Management Co., Ltd.*) (Note (d))	RMB5,000,000	–	–	**100%**	100%	Property investment and development
成都鵬悅企業管理諮詢有限公司(Chengdu Pengyue Enterprise Management Consulting Co., Ltd.*) (Note (d))	RMB60,000,000	–	–	**100%**	100%	Property management
大悅城商業管理(天津)有限公司 (Joy City Commercial Management (Tianjin) Co., Ltd.*) (Note (d))	RMB10,000,000	–	–	**100%**	100%	Property management
南京悅錦成房地產實業有限公司 (Nanjing Yuejincheng Real Estate Industry Co., Ltd.*) (Note (d))	RMB3,000,000,000	–	–	**50%**	50%	Property investment and development
重慶悅昇房地產開發有限公司 (Chongqing Yuesheng Real Estate Development Co., Ltd.*) (Note (d))	RMB913,630,987	–	–	**51%**	51%	Property development

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

50. DETAILS OF SUBSIDIARIES (continued)

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	2024	2023	
Entities established in the PRC and operating principally in the PRC (continued)						
南京京悅房地產開發有限公司 (Nanjing Jingyue Real Estate Development Co., Ltd.*) (Note (d))	RMB520,000,000	–	–	60%	60%	Property development
杭州疆悅置業有限公司 (Hangzhou Jiangyue Real Estate Co., Ltd.*) (Note (d))	RMB500,000,000	–	–	51%	51%	Property development
永悅房地產開發(蘇州)有限公司 (Yongyue Real Estate Development (Suzhou) Co., Ltd.*) (Note (d))	RMB450,000,000	–	–	60%	60%	Property development
大悅城(上海)置業有限公司 (Joy City (Shanghai) Real Estate Co., Ltd.*) (Note (c))	RMB5,000,000	–	–	100%	100%	Property development
上海耀耀祿建設發展有限公司 (Yao Yao Lu) (Note (d))	RMB1,530,000,000	–	–	100%	100%	Property development
南京荷塘明悅房地產開發有限公司 (Nanjing Hetang Mingyue Real Estate Development Co., Ltd.*) (Note (d))	RMB1,100,000,000	–	–	100%	100%	Property development
大悅城華東(上海)企業管理有限公司 (Joy City East China (Shanghai) Enterprise Management Co., Ltd.*) (Note (c))	RMB10,000,000	100%	100%	–	–	Investment holding
大悅城商業運營管理(天津)有限公司 (Joy City Commercial Operation Management (Tianjin) Co., Ltd.*) (Note (c))	RMB10,000,000	–	–	100%	100%	Investment holding
成都榮悅商業管理有限公司 (Chengdu Rongyue Commercial Management Co., Ltd.*) (Note (d) and (g))	Nil (2023: RMB1,000,000)	–	–	–	100%	Property management
成都博悅商業管理有限公司 (Chengdu Boyue Business Management Co., Ltd.*) (Note (d) and (g))	Nil (2023: RMB1,300,000,000)	–	–	–	100%	Property management

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

50. DETAILS OF SUBSIDIARIES (continued)

Company name	Paid-up/ registered capital	Proportion of ownership interest and voting rights held by the Company				Principal activities
		Directly		Indirectly		
		2024	2023	2024	2023	
Entities established in the PRC and operating principally in the PRC (continued)						
三亞大悦城商業管理有限公司 (Sanya Joy City Commercial Management Co., Ltd.*) (Note (d))	RMB260,000,000 (2023: RMB10,000,000)	**–**	–	**100%**	100%	Property management
深圳市澤悦置業有限公司 (Shenzhen Zeyue Real Estate Co., Ltd.*) (Note (d))	RMB10,000,000 (2023: RMB200,000)	**–**	–	**100%**	100%	Property development
三亞龍澤酒店管理有限公司 (Sanya Longze Hotel Management Co., Ltd.*) (Note (d) and (f))	RMB10,000,000	**–**	–	**100%**	–	Hotel operations and related services
三亞悦麓開發建設有限公司 (Sanya Yuelu Development and Construction Co., Ltd.*) (Note (d) and (f))	RMB769,230,769	**–**	–	**100%**	–	Property development

* The English names are translations of their Chinese names and are included for identification purpose only, and should not be regarded as their official English translation.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group during the years ended 31 December 2024 and 2023. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Note:

(a) The Group has control over the board of directors and the relevant activities of this entity and therefore accounted for as a subsidiary of the Company.

(b) These companies are sino-foreign equity joint ventures.

(c) These companies are wholly-foreign owned enterprise.

(d) These companies are wholly-domestic owned enterprise.

(e) These subsidiaries had issued debt securities in 2024 (Note 32).

(f) These subsidiaries are newly established or acquired in 2024 (Note 46).

(g) These subsidiaries were disposed in 2024 (Note 47).

(h) These subsidiaries were deregistered in 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

51. INFORMATION ABOUT THIS STATEMENT OF FINANCIAL POSITIION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	At 31 December	
	2024	2023
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Unlisted investments in subsidiaries (Note (i))	**13,296,091**	13,296,091
Financial assets at fair value through profit or loss (Note (iii))	**2,156,521**	–
	15,452,612	13,296,091
CURRENT ASSETS		
Amounts due from subsidiaries (Note (ii))	**25,781,257**	24,191,341
Amount due from a joint venture (Note (ii))	**–**	27
Amounts due from associates (Note (ii))	**111**	–
Loans to subsidiaries (Note (ii))	**1,255,112**	1,228,249
Deposits, prepayments and other receivable	**92**	–
Cash and bank balances	**2,231,250**	4,129,192
Hedging instruments	**3,982**	131,177
Derivative financial instrument	**–**	63,306
	29,271,804	29,743,292
CURRENT LIABILITIES		
Amounts due to subsidiaries (Note (ii))	**5,454,318**	5,319,862
Amounts due to fellow subsidiaries (Note (ii))	**–**	1,303
Bank borrowings	**640,000**	3,079,998
Income tax payable	**281**	17,269
Other payables and accruals	**20,315**	21,215
Derivative financial instruments	**–**	15,784
	6,114,914	8,455,431
NET CURRENT ASSET	**23,156,890**	21,287,861
NON-CURRENT LIABILITIES		
Loans from a subsidiary (Note (ii))	**880,000**	880,000
Bank borrowings	**5,935,704**	3,004,323
	6,815,704	3,884,323
NET ASSETS	**31,793,798**	30,699,629
CAPITAL AND RESERVES		
Share capital (Note 34)	**1,122,414**	1,122,414
Reserves (Note (iv))	**30,671,384**	29,577,215
TOTAL EQUITY	**31,793,798**	30,699,629

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

51. INFORMATION ABOUT THIS STATEMENT OF FINANCIAL POSITIION OF THE COMPANY (continued)

Note:

(i) As at 31 December 2024, unlisted investments in subsidiaries are carried at cost of RMB13,411,073,000 (31 December 2023: RMB13,411,073,000) less accumulated impairment loss of RMB114,982,000 (31 December 2023: RMB114,982,000).

(ii) The amounts due from subsidiaries, a joint venture and associates are unsecured, interest-free and repayable on demand as at 31 December 2024. Except for Loans to subsidiaries of RMB1,255,112,000 was unsecured, interest bearing at 5.6% per annum and repayable with one year.

The amounts due to subsidiaries and fellow subsidiaries are unsecured, interest-free and repayable on demand as at 31 December 2024. Except for Loans from a subsidiary of RMB880,000,000 was unsecured, interest bearing at 3.65% per annum and repayable in 2026.

(iii) In 2024, Elab Inc. ("**Elab**"), a wholly-owned subsidiary of the Company and the Company has entered into a loan agreement (the "**Elab perpetual loan Agreement**"), pursuant to which the Company shall lend USD300 million (the "**Elab perpetual loan**") to Elab. The Elab perpetual loan Agreement took effect in 2024. The principal doesn't have a maturity date and interest payment on the Elab perpetual Loan are paid semiannually in arrears from 2024. The interest payable can be deferred and cancelled partially or in full at the discretion of Elab.

(iv) Reserves of the Company:

	Share premium RMB'000	Non-redeemable convertible preference shares RMB'000 (Note 35)	Foreign currency translation reserve RMB'000	Capital redemption reserve RMB'000	Contributed surplus and other reserve RMB'000	Retained profits RMB'000	Perpetual capital instruments RMB'000	Total RMB'000
At 1 January 2023	17,993,202	1,722,317	3,266	1,931	487,814	8,700,612	858,550	29,767,692
Profit and total comprehensive income for the year	–	–	–	–	(221,801)	1,094,318	–	872,517
Distribution of perpetual capital instruments	–	–	–	–	–	(2,032)	2,032	–
Redemption of perpetual capital instruments	–	–	–	–	–	–	(833,247)	(833,247)
Payment of distribution of perpetual capital instruments	–	–	–	–	–	–	(27,335)	(27,335)
Final 2022 dividend declared	–	–	–	–	–	(166,942)	–	(166,942)
Others	–	–	–	–	(35,470)	–	–	(35,470)
At 31 December 2023	**17,993,202**	**1,722,317**	**3,266**	**1,931**	**230,543**	**9,625,956**	**–**	**29,577,215**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**(36,601)**	**1,331,784**	**–**	**1,295,183**
Final 2023 dividend declared	**–**	**–**	**–**	**–**	**–**	**(201,014)**	**–**	**(201,014)**
At 31 December 2024	**17,993,202**	**1,722,317**	**3,266**	**1,931**	**193,942**	**10,756,726**	**–**	**30,671,384**

Definitions

In this Annual Report, the following expressions have the following meanings unless the context requires otherwise:

"2020 Financial Services Agreement"	the financial services agreement dated 17 July 2020, as supplemented, between the Company, Management Company and COFCO Finance in relation to the financial services provided by COFCO Finance to Management Company and the Group;
"2023 Financial Services Agreements"	the financial services agreement and the entrustment loan services agreement dated 31 March 2023 entered into between the Company, Management Company and COFCO Finance in relation to the financial services provided by COFCO Finance to the Management Company and the Group;
"2025 AGM"	the forthcoming annual general meeting of the Company (or any adjournment thereof) for the year 2025;
"Achieve Bloom"	Achieve Bloom Limited（得茂有限公司）, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of COFCO Corporation, which is an indirect controlling shareholder of the Company;
"Acquisition"	has the meaning ascribed to it in the announcement of the Company dated 24 September 2013;
"Annual Caps"	the maximum aggregate annual transaction amounts set for the Non-Exempt Continuing Connected Transactions;
"Audit Committee"	the audit committee of the Company;
"Bapton"	Bapton Company Limited, a company incorporated in Hong Kong with limited liability on 22 August 1986, a wholly-owned subsidiary of the Company;
"Board"	the board of Directors;
"BVI"	British Virgin Islands;
"Bye-laws"	the amended and restated bye-laws of the Company, as amended from time to time;
"CBIRC"	China Banking and Insurance Regulatory Commission（中國銀行保險監督管理委員會）
"COFCO (HK)"	COFCO (Hong Kong) Limited（中糧集團（香港）有限公司）(formerly known as Top Glory Company Limited（鵬利有限公司）, Top Glory Holding Company Limited（鵬利控股有限公司）, Top Glory Holding Company Limited（鵬利集團有限公司）and COFCO (Hong Kong) Limited（中國糧油食品集團（香港）有限公司）), a company incorporated in Hong Kong with limited liability on 14 August 1981 and wholly-owned by COFCO Corporation, an indirect controlling shareholder of the Company;

Definitions

"COFCO Corporation"	COFCO Corporation (中糧集團有限公司), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of the SASAC, the holding company of Grandjoy Holdings Group and thus an indirect controlling shareholder of the Company;
"COFCO Group"	COFCO Corporation and its subsidiaries, excluding the Group;
"COFCO Finance"	COFCO Finance Company Limited (中糧財務有限責任公司), a company established in the PRC with limited liability and a subsidiary of COFCO Corporation, and a connected person of the Company;
"Company"	Joy City Property Limited (大悅城地產有限公司), a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 207);
"controlling shareholder(s)"	has the meaning given to it under the Listing Rules and in the context of the Company, means Grandjoy Holdings Group, Vibrant Oat, COFCO (HK) and COFCO Corporation;
"Conversion Shares"	the new Shares to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the CPS;
"CG Code"	Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules;
"CPS"	the non-redeemable convertible preference shares of HK$0.10 each in the share capital of the Company;
"Director(s)"	the director(s) of the Company;
"ESG Report 2024"	the Environmental, Social and Governance Report for the year ended 31 December 2024 issued by the Company separately pursuant to Rule 13.91 and Appendix C2 to the Listing Rules. The electronic version of which is available on the websites of the Company at www.joy-cityproperty.com and the Stock Exchange at www.hkexnews.hk;
"Executive Committee"	executive committee of the Company;
"Grandjoy Holdings Group"	Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司), a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000031) and a controlling shareholder of the Company;
"Group"	the Company and its subsidiaries from time to time;
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent committee of the Board, comprising all the Independent Non-executive Directors;

Definitions

"independent third party"	a person or party who is not a connected person (within the meaning of the Listing Rules) of the Group;
"Listing Committee"	the Listing Committee of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
"Master Agreements"	collectively the Master Lease Agreement, the Master Property Management Agreement and the Master Sourcing Agreement, and "Master Agreement" shall refer to any one of them;
"Master Lease Agreement"	the master lease agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by four supplemental agreements thereto) for the leasing of properties by the Group to the COFCO Group;
"Master Property Management Agreement"	the master property management agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by four supplemental agreements thereto) for the provision of project consultation, property management and hotel management services;
"Master Sourcing Agreement"	the master sourcing agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by four supplemental agreements thereto) for the sourcing of staple supplies and catering services by the Group from the COFCO Group;
"Memorandum"	the memorandum of association of the Company;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
"Nomination Committee"	the nomination committee of the Company;
"Non-Competition Undertaking"	the deed of non-competition dated 29 November 2013 executed by COFCO Corporation in favour of the Company in relation to the Acquisition;
"Non-Exempt Continuing Connected Transaction(s)"	the transactions to be carried out pursuant to the Connected Transaction Agreements, which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules;
"PBOC"	The People's Bank of China (中國人民銀行), the central bank of the PRC;
"PRC" or "China"	the People's Republic of China, which shall, for the purposes of this Annual Report, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

Definitions

"PRC government" or "Chinese government"	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities);
"Remuneration Committee"	the remuneration committee of the Company;
"Restricted Business"	(a) the development, operation, sale, leasing or management of any property project which is wholly designated for commercial purpose such as offices, retail, shopping malls, hotels, resorts or serviced apartments; and/or (b) the development, operation, sale, leasing or management of any mixed-use complex project;
"RevPAR"	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
"RMB"	Renminbi, the lawful currency of the PRC;
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會);
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
"SGM"	the special general meeting of the Company;
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Shareholder(s)" or "Member(s)"	registered holder(s) of the Shares;
"sq.m."	square metre(s);
"State Council"	the State Council of the PRC (中華人民共和國國務院);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Codes"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong;
"US$" or "USD"	United States Dollars, being the lawful currency of the United States of America;
"Vibrant Oak"	Vibrant Oak Limited (明毅有限公司), a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of COFCO (HK) and an indirect controlling shareholder of the Company;
"%"	per cent.

The English names of Chinese entities marked with "" are translations of their Chinese names and are included in this Annual Report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

Corporate Information

(As at the date of this Annual Report)

DIRECTORS

Executive Director

Mr. YAO Changlin *(Chairman)*

Non-executive Directors

Mr. CHEN Lang
Mr. ZHANG Hongfei
Ms. DONG Baoyun
Mr. ZHANG Mingrui
Mr. WU Lipeng

Independent Non-executive Directors

Mr. LAU Hon Chuen, Ambrose, *GBS, JP*
Mr. LAM Kin Ming, Lawrence
Mr. CHAN Fan Shing

AUDIT COMMITTEE

Mr. LAU Hon Chuen, Ambrose, *GBS, JP (Committee Chairman)*
Mr. LAM Kin Ming, Lawrence
Mr. CHAN Fan Shing

REMUNERATION COMMITTEE

Mr. LAU Hon Chuen, Ambrose, *GBS, JP (Committee Chairman)*
Mr. YAO Changlin
Mr. LAM Kin Ming, Lawrence
Mr. CHAN Fan Shing

NOMINATION COMMITTEE

Mr. YAO Changlin *(Committee Chairman)*
Mr. LAU Hon Chuen, Ambrose, *GBS, JP*
Mr. LAM Kin Ming, Lawrence
Mr. CHAN Fan Shing

COMPANY SECRETARY

Ms. HAU Hei Man, Sonya

AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

PRINCIPAL OFFICE IN HONG KONG

33/F., COFCO Tower
262 Gloucester Road
Causeway Bay, Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.joy-cityproperty.com

STOCK CODE

207

大悦城控股
GRANDJOY

中粮
COFCO
自然之源 重塑你我

JOY CITY PROPERTY LIMITED
大悦城地產有限公司

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