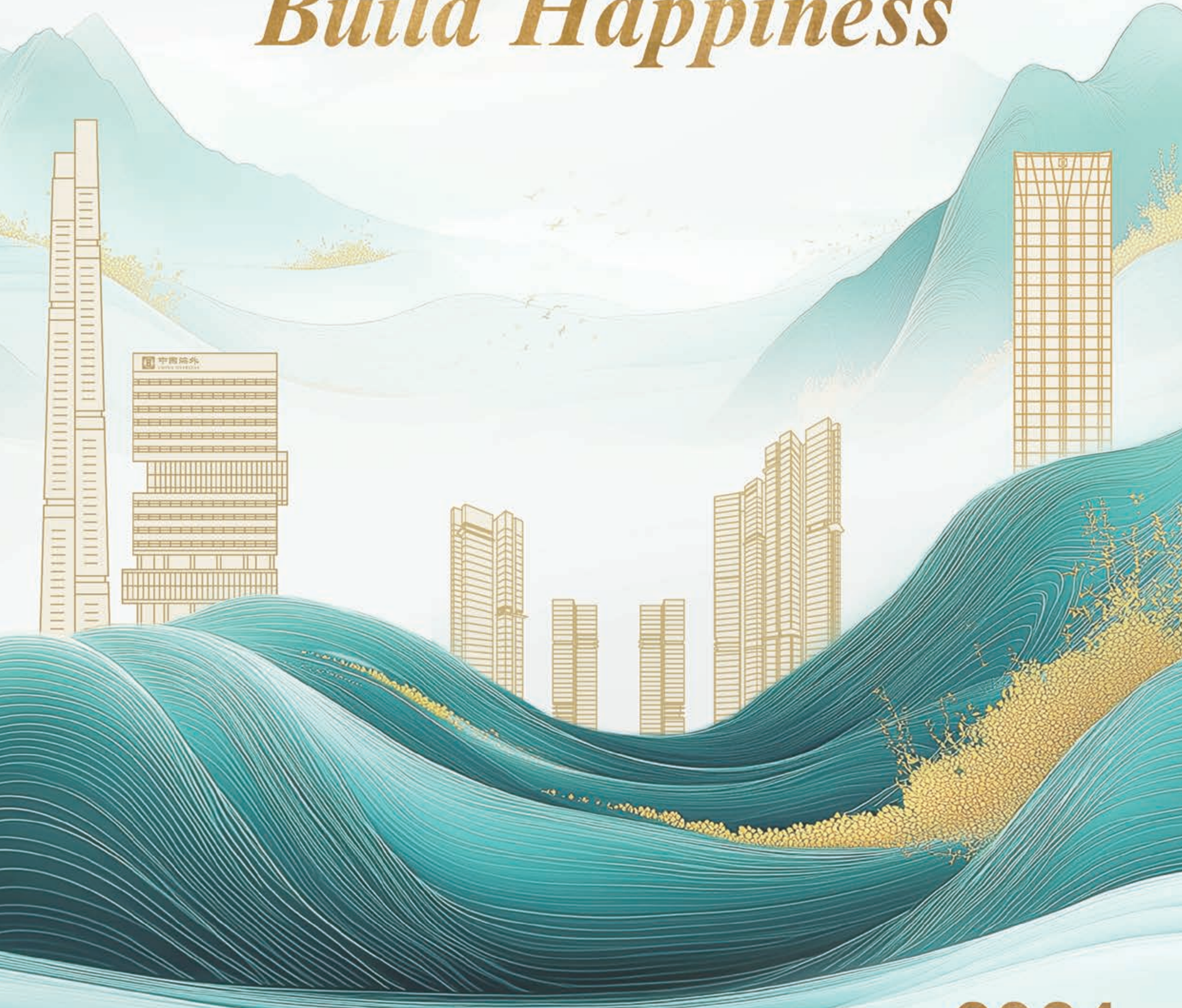
中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

(Incorporated in Hong Kong with limited liability)
Stock Code：00688

Steady Progress to Build Happiness



2024
Annual Report

Arbour I, Shanghai

Contents

Board of Directors and Committees

EXECUTIVE DIRECTORS

Yan Jianguo — *Chairman*
Luo Liang[1] — *Vice Chairman*
Zhang Zhichao — *Chief Executive Officer*
Guo Guanghui — *Vice President*

NON-EXECUTIVE DIRECTORS

Zhuang Yong — *Vice Chairman*
Zhao Wenhai[3]
Ma Yao[4]

INDEPENDENT NON-EXECUTIVE DIRECTORS

Li Man Bun, Brian David
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

AUTHORISED REPRESENTATIVES

Yan Jianguo
Luo Liang[1]
Guo Guanghui[2]

AUDIT AND RISK MANAGEMENT COMMITTEE

Li Man Bun, Brian David *(Chairman)*
Chan Ka Keung, Ceajer
Chan Ching Har, Eliza

CORPORATE GOVERNANCE COMMITTEE

Chan Ka Keung, Ceajer *(Chairman)*
Li Man Bun, Brian David
Chan Ching Har, Eliza
Luo Liang[1]

NOMINATION COMMITTEE

Chan Ching Har, Eliza *(Chairman)*
Li Man Bun, Brian David
Chan Ka Keung, Ceajer

REMUNERATION COMMITTEE

Chan Ka Keung, Ceajer *(Chairman)*
Li Man Bun, Brian David
Chan Ching Har, Eliza

(1) *retired with effect from 29 August 2024*

(2) *appointed with effect from 29 August 2024*

(3) *resigned with effect from 22 January 2025*

(4) *appointed with effect from 22 January 2025*

Corporate Information

REGISTERED OFFICE

10/F., Three Pacific Place
1 Queen's Road East, Hong Kong
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
Website : www.coli.com.hk

COMPANY SECRETARY

Edmond Chong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
Telephone : (852) 2980 1333
Facsimile : (852) 2810 8185
E-mail : is-enquiries@vistra.com

INVESTOR RELATIONS

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.ir@cohl.com

PUBLIC RELATIONS

Corporate Communications Department
Telephone : (852) 2988 0666
Facsimile : (852) 2865 7517
E-mail : coli.pr@cohl.com

INDEPENDENT AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS (IN ALPHABETICAL ORDER)

Agricultural Bank of China
Bank of China
Bank of Communications Co., Ltd.
China Citic Bank
China Construction Bank Corporation
China Everbright Bank Co., Ltd.
China Merchants Bank
DBS Bank Ltd.
Industrial and Commercial Bank of China
Industrial Bank Co., Ltd.
Mizuho Bank, Ltd.
Nanyang Commercial Bank, Limited
OCBC Bank (Hong Kong) Limited
Shanghai Pudong Development Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited

Shareholders' Information and Financial Calendar

LISTING

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and certain notes and corporate bonds issued by the Company's subsidiaries are listed on the Hong Kong Stock Exchange and/or other exchanges.

STOCK CODE

Shares

Hong Kong Stock Exchange	:	00688
Bloomberg	:	688:HK
Reuters	:	0688.HK

FINANCIAL CALENDAR

Interim results announcement	:	28 August 2024
Closure of register of members for interim dividend	:	19 September 2024
Interim dividend paid	:	4 October 2024
Final results announcement	:	31 March 2025
Closure of register of members for annual general meeting	:	20 June 2025 to 25 June 2025 (both dates inclusive)
Annual general meeting	:	25 June 2025
Closure of register of members for final dividend	:	2 July 2025
Final dividend paid	:	17 July 2025

Corporate Structure

PROPERTY DEVELOPMENT*

- Chinese mainland
- Hong Kong
- Macau

COMMERCIAL PROPERTY OPERATIONS

- Chinese mainland
- Hong Kong
- Macau
- London

OTHER OPERATIONS

- Chinese mainland

* *Property development in 86 major cities in the Chinese mainland, including Beijing, Shanghai, Guangzhou, Shenzhen, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Ezhou, Foshan, Fuzhou, Guiyang, Haikou, Hangzhou, Harbin, Jiangmen, Jiaxing, Jinan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Sanya, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Taizhou(台州), Tianjin, Urumqi, Wanning, Weihai, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an, Yantai, Zhaoqing^, Zhengzhou, Zhenjiang^, Zhongshan, Zhuhai, Anqing#, Baotou#, Changzhou#, Chuzhou#, Danyang#, Ganzhou#, Guilin#, Hefei#, Hohhot#, Huai'an#, Huangshan#, Huizhou#, Jilin#, Jinhua#, Jining#, Jiujiang#, Langfang#, Lanzhou#, Linyi#, Liuzhou#, Nanning#, Nantong#, Qingyuan#, Quanzhou#, Shantou#, Shaoxing#, Taizhou(泰州)#, Tangshan#, Tianshui#, Weifang#, Weinan#, Xining#, Xuzhou#, Yancheng#, Yangzhou#, Yinchuan#, Zhanjiang#, Zhuzhou#, Zibo#, Zunyi# as well as in Hong Kong and Macau*

^ *The cities where both China Overseas Land & Investment Limited (the "Company") and its subsidiaries (collectively known as the "Group") and China Overseas Grand Oceans Group Limited ("COGO") have operations*

\# *The cities where COGO has operations*

Financial Highlights

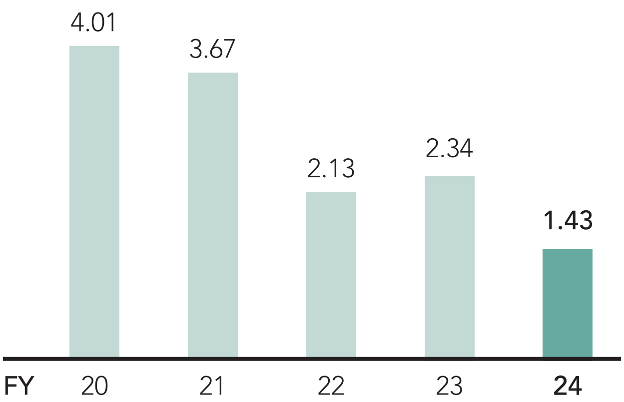
For the year ended 31 December	2024	2023	Change (%)
Financial Highlights *(RMB billion)*			
Contracted property sales[1]	**310.69**	309.81	+0.3
Revenue	**185.15**	202.52	–8.6
Revenue from commercial properties	**7.13**	6.36	+12.1
Profit attributable to owners of the Company	**15.64**	25.61	–38.9
Core profit attributable to owners of the Company excluding effects such as after-tax revaluation gains from investment properties and net foreign exchange gains and losses	**15.72**	23.65	–33.5
Financial Ratios			
Interest coverage ratio *(times)*	**2.8**	3.9	–1.1[2]
Net gearing *(%)*[4]	**29.2**	38.7	–9.5[3]
Financial Information per Share			
Basic earnings *(RMB)*	**1.43**	2.34	–38.9
Dividends *(HK$)*	**0.60**	0.80	–25.0
— Interim dividend *(HK$)*	**0.30**	0.35	–14.3
— Final dividend *(HK$)*	**0.30**	0.45	–33.3
Land Reserve *(Total GFA, million sq m)*			
Newly acquired land reserve	**4.16**	7.64	–45.5
Land Reserve at year end[5]	**42.55**	54.03	–21.2

Notes:
1 *Representing the Group together with its associates and joint ventures (collectively the "Group Series of Companies")*
2 *Change in number of times*
3 *Change in percentage points*
4 *Calculated based on the net debt divided by total equity (including non–controlling interests)*
5 *Representing year end figures of the Group Series of Companies*

Financial Highlights (continued)

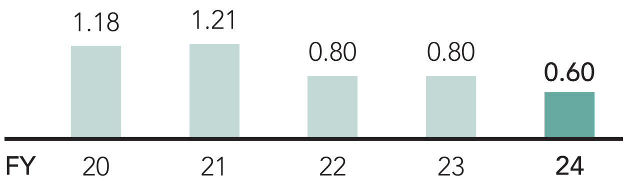
BASIC EARNINGS PER SHARE

RMB



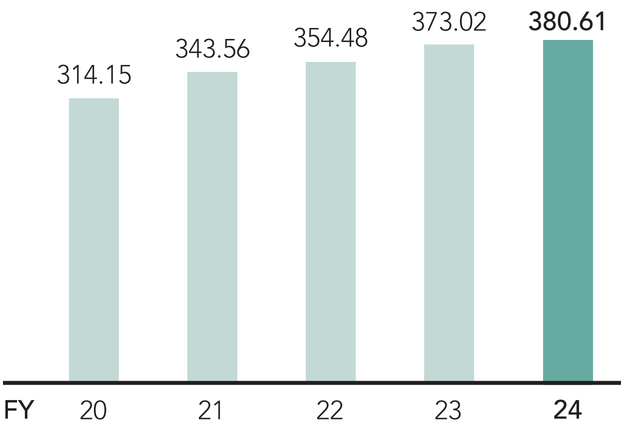
DIVIDENDS PER SHARE

HK$



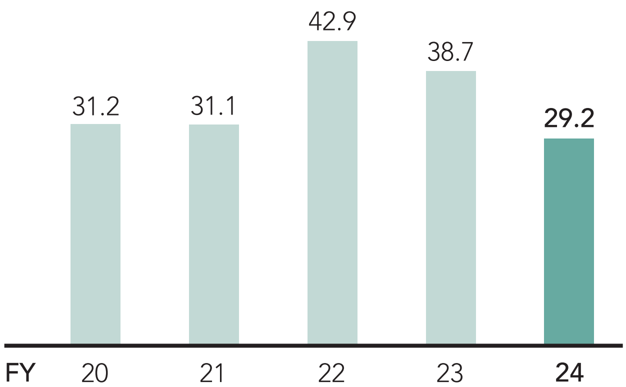
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

RMB billion



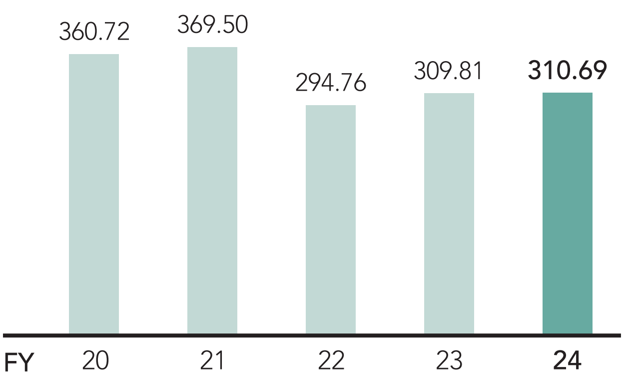
NET GEARING

%



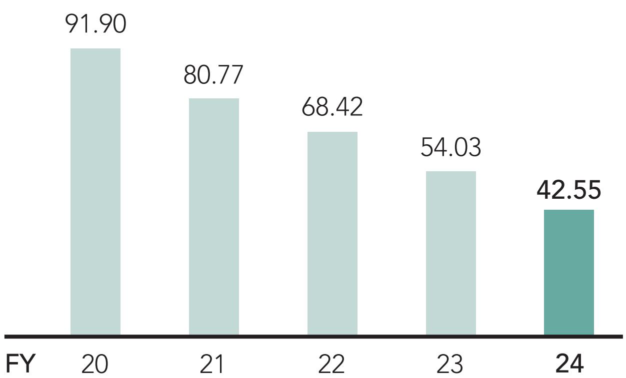
CONTRACTED PROPERTY SALES AMOUNT*

RMB billion



LAND RESERVE*

Total GFA, million sq m



* *Representing the Group Series of Companies*

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024 RMB'000**
Revenue	185,789,528	242,240,783	180,321,569	202,524,069	**185,154,027**
Operating profit	65,231,389	60,309,732	34,882,261	40,525,473	**26,693,998**
Profit attributable to owners of the Company	43,903,954	40,155,361	23,264,747	25,609,837	**15,635,658**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024 RMB'000**
Property, plant and equipment	5,010,803	5,524,471	7,085,545	6,903,790	**7,300,730**
Investment properties	140,879,089	166,204,097	190,226,516	207,746,168	**208,399,049**
Interests in associates and joint ventures	33,313,889	40,570,834	43,410,294	46,302,163	**45,897,078**
Other non-current assets	8,200,412	8,650,492	8,132,098	8,000,071	**7,853,569**
Stock of properties and other inventories	458,087,286	450,620,363	488,812,985	487,640,804	**454,274,446**
Bank balances and cash	110,468,910	130,956,191	110,306,115	105,629,033	**124,168,228**
Other current assets	67,696,982	67,380,250	65,280,579	61,382,062	**60,741,281**
Total Assets	823,657,371	869,906,698	913,254,132	923,604,091	**908,634,381**
Bank and other borrowings	(136,809,254)	(162,311,684)	(165,552,630)	(165,297,894)	**(166,156,996)**
Guaranteed notes and corporate bonds	(76,171,187)	(79,610,610)	(104,832,616)	(92,366,242)	**(75,406,982)**
Other liabilities	(282,327,610)	(270,878,050)	(269,771,061)	(273,028,247)	**(265,240,405)**
Total liabilities	(495,308,051)	(512,800,344)	(540,156,307)	(530,692,383)	**(506,804,383)**
Net Assets	328,349,320	357,106,354	373,097,825	392,911,708	**401,829,998**
Equity attributable to owners of the Company	314,146,531	343,560,175	354,479,708	373,017,828	**380,610,977**
Non-controlling interests	14,202,789	13,546,179	18,618,117	19,893,880	**21,219,021**
Total Equity	328,349,320	357,106,354	373,097,825	392,911,708	**401,829,998**
Net Debt	102,511,531	110,966,103	160,079,131	152,035,103	**117,395,750**

KEY FINANCIAL INFORMATION AND RATIOS

Financial Year	2020	2021	2022	2023	**2024**
Basic earnings per share *(RMB)*	4.01	3.67	2.13	2.34	**1.43**
Dividends per share *(HK$)*	1.18	1.21	0.80	0.80	**0.60**
Interest coverage ratio *(times)*	7.8	7.2	3.3	3.9	**2.8**
$\frac{\text{Operating profit — Total interest income}}{\text{Interest expenses}^{1}}$					
Net gearing *(%)*	31.2	31.1	42.9	38.7	**29.2**

1 *Before capitalisation and excluding interest on amounts due to fellow subsidiaries and a related company, associates, joint ventures and non-controlling shareholders*

2024 Business Milestones

24 February

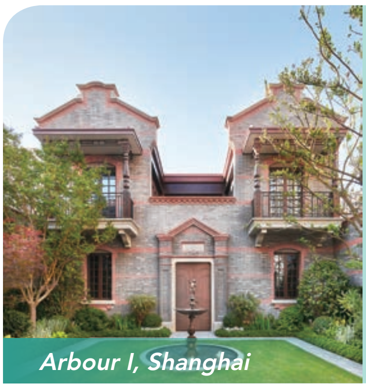
The Group's headquarters in Shenzhen was relocated to the China Overseas Building in Nanshan District, marking a new milestone in the Group's development.

19 March

CRIC (克而瑞) released the results of its annual ordinary residential projects deliverability assessment for 2023, in which the Group was recognised as "No. 1 Delivery Capabilities of China Real Estate Enterprises in 2023".

22 March

The Future Habitat Joint Innovation Laboratory, co-established with the Low-Carbon Healthy Real Estate Special Committee of the China Association of Building Energy Efficiency (CABEE), was inaugurated in Shenzhen. The laboratory will focus on developing a future space management system, exploring low-carbon, healthy and smart future living environments, and gradually realising the productisation, industrialisation and marketisation of future living spaces.


Arbour I, Shanghai

28 March

The Group's Arbour I in Shanghai set a new national record for sales of a single residential project on its launch day, of RMB19.65 billion. On 27 June, the Group's high-end project series, Infinite Horizons, was launched. With excellent product strength, the Group achieved robust sales for the year. Avant in Shanghai reached sales of RMB28.21 billion for the year; Arcadia Bay in Shenzhen achieved remarkable sales of RMB15.62 billion for the year; while Infinite Horizons in Beijing also recorded impressive sales of RMB 7.56 billion for the year.

2024 Business Milestones (continued)

22 May

The Group acquired a land parcel in Shijingshan District, Beijing for RMB5.75 billion. On 29 November, the Group acquired three land parcels in the Chaoyang District, Beijing for RMB15.33 billion. On 2 December, the Group jointly won a bid for a land parcel in Nanshan District, Shenzhen for RMB18.51 billion. On 12 December, the Group acquired a land parcel in Fengtai District, Beijing for RMB11.05 billion.

18 June

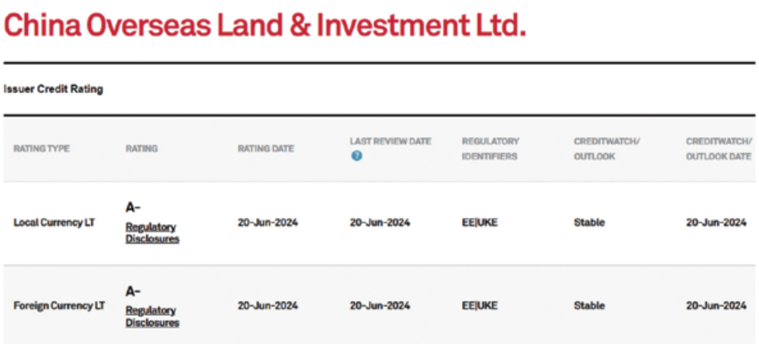
Zhenru Unipark MAX in Shanghai received CRIC's (克而瑞) "2024 China Real Estate Commercial Management "International Consumption" Benchmarking Project (Enterprise) Award". Leveraging its leading brand matrix and pacesetting operation and management standards, it has consistently topped the Dianping rankings of Shanghai shopping centres since its opened, and has been recognised by the industry as China's leading commercial project with outstanding performance in the international consumer sector.

19 June

The Group was named a "Valued Sustainable Blue Chip" by the Economic Observer for the 21st consecutive year.

20 June

Based on the Group's steady financial achievements and outstanding corporate governance, S&P Global upgraded the Group's credit rating from BBB+/stable to A–/stable, making the Group the only Chinese property developer holding double-A in the international credit ratings.



China Overseas Land & Investment Ltd.

Issuer Credit Rating

RATING TYPE	RATING	RATING DATE	LAST REVIEW DATE	REGULATORY IDENTIFIERS	CREDITWATCH/ OUTLOOK	CREDITWATCH/ OUTLOOK DATE
Local Currency LT	A- Regulatory Disclosures	20-Jun-2024	20-Jun-2024	EE|UKE	Stable	20-Jun-2024
Foreign Currency LT	A- Regulatory Disclosures	20-Jun-2024	20-Jun-2024	EE|UKE	Stable	20-Jun-2024

1 July

The Group's subsidiary, Shenzhen Haizhichuang Technology Co., Ltd* was recognised for its outstanding performance in the field of new-generation information technology and became a "Little Giant" enterprise recognised by the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China for its specialisation and innovation.

** English translation for identification purpose only.*

2024 Business Milestones (continued)

25 July

The Group actively responded to the Hong Kong SAR Government's "Strive and Rise Programme" by organising the "COLI's Contribution to Inclusion" Hong Kong Youth Greater Bay Area Exchange Group Tour. Nearly 70 participants, including students and mentors, visited the Chinese mainland to learn about the Group's whole-chain industry solutions for advanced construction methods, commercial project operations and design concepts, and more.

26 August

The Group was selected as one of the top 30 Hong Kong listed companies with the best ESG performance in the Hang Seng Corporate Sustainability Index ("HSSUS") and its sustainability rating was upgraded to "A+". The Group was the only Chinese property developer selected as a constituent for HSSUS in 2024.

Hang Seng Corporate Sustainability Index Series Member 2024-2025

20 September

The Group was awarded first place in the "2024 Best 10 of China Real Estate Developers Brand Value", conducted under the guidance of China Real Estate Association and jointly hosted by Shanghai E-House China Research Institute and CRIC (克而瑞). This recognition was attributed to the Group's outstanding corporate governance, solid financial strength, and leading brand competitiveness.

中国海外大厦零碳建筑证书 北京中海金融中心零碳建筑证书

22 September

China Overseas Building in Shenzhen and China Overseas Finance Centre in Beijing were both selected for the first batch of zero-carbon building projects released by the China Association of Building Energy Efficiency (CABEE), highlighting the Group's leading practices in the implementation of the "Dual Carbon" strategy.

2024 Business Milestones (continued)

26 September

The CSCEC Science and Technology Exhibition was opened. It was directed by the Ministry of Housing and Urban-Rural Development of the People's Republic of China and organised by China State Construction Engineering Corporation (CSCEC). The Group's prototype, named "New-build Good Houses", showcased its core principles of "High Performance + Good Experience." This prototype highlighted the exceptional performance of the Group's products and their provision of the ultimate living experience. By integrating 16 major technological systems, it addressed 134 public expectations for a "Good House", making it a standout feature of the exhibition.

23 October

The "China Overseas Xin Hua Pearl Class" for the 2024 school year at Zhouqu Middle School in Lanzhou New District, which were sponsored by the Group, other supported enterprises and Xin Hua Education Foundation, was opened. The initiative aims to assist students who are doing well in school but whose families have financial difficulties, and to help them complete their high school education. For three consecutive years since 2022, the Group has sponsored the "Pearl Class", helping nearly 100 "Pearl Students" to complete their high school education.

28 November

Mr. Yan Jianguo, the Chairman and Executive Director of the Group, was awarded the "Directors of The Year Award" in the category of Listed Companies Executive Directors, as well as the inaugural "Climate Governance Award" from the Hong Kong Institute of Directors. He was the only executive director to win both awards this time. These honours underscored the exceptional professionalism of the Group's Board of Directors and their significant contributions to achieving the highest standards of corporate governance, as well as their exemplary performance in climate governance.

2024 Business Milestones (continued)

28 November

The Group issued a 5-year corporate bonds of RMB1.6 billion at an interest rate as low as 2.35%. It also made its first onshore issuance of 10-year corporate bonds of RMB1.4 billion, at an interest rate as low as 2.70%, making it the year's largest issuance of 10-year bonds across the industry. A total of RMB 3.0 billion in corporate bonds were successfully issued.

16 December

The internationally recognised index institution Morgan Stanley Capital International ("MSCI") announced their latest Environmental, Social, and Governance ("ESG") ratings. With the Group's outstanding performance in sustainable development, its ESG rating was raised from BBB to an industry-leading A grade.

31 December

The Group Series of Companies had achieved contracted property sales of RMB310.69 billion. This included contracted sales in four first-tier cities (Beijing, Shanghai, Guangzhou and Shenzhen) that each exceeded RMB10 billion. The contracted sales in Shanghai were RMB70.45 billion.

Infinite Horizons, Beijing

Chairman's Statement

Yan Jianguo
Chairman and Executive Director

Chairman's Statement (continued)

In 2024, the property market continued its downward trend, with data from the National Bureau of Statistics of China showing that national new home sales fell by 17.1% compared to the previous year, to a level only 53.2% of the industry's high point in 2021.

In the midst of the market downturn, the Group coordinated development and security, promoted stability through progress, and proactively responded to various difficulties and challenges so as to continue to create value for the shareholders. During the year, S&P Global upgraded the Group's credit rating to A–/Stable from BBB+/Stable, making the Group the only Chinese property developer holding double-A international credit ratings, reflecting international rating agencies' full affirmation of the Group's smooth capital pipeline, sound business fundamentals, and robust ability to sustain development during an industry downturn.

In 2024, the Group Series of Companies achieved contracted property sales of RMB310.69 billion, an increase of 0.3% compared to the previous year, and was the only top-10 property developer in China to achieve sales growth, while its domestic market share increased by 0.55 percentage points to 3.21% as compared with the end of 2023. According to data from the China Index Academy, the attributable sales of the Group Series of Companies ranked No. 1 in the industry in 2024.

The audited revenue of the Group for the year end 31 December 2024 was RMB185.15 billion. Profit attributable to owners of the Company was RMB15.64 billion. Core profit attributable to owners of the Company excluding effects such as after-tax revaluation gains from investment properties and net foreign exchange gains and losses was RMB15.72 billion. Equity attributable to owners of the Company was RMB380.61 billion. The Board proposed a final dividend of HK30 cents per share for the year ended 31 December 2024, making total dividends of HK60 cents per share for the year.

The Group's strategy focuses strongly on first-tier cities, yielding fruitful results and leading the industry in the downward market. The Group ranks among the top three in local market share across the four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, taking the first place in Beijing, Shanghai and Shenzhen. The Group Series of Companies (excluding COGO) achieved contracted sales of RMB164.04 billion in those five cities, Hong Kong, Beijing, Shanghai, Guangzhou and Shenzhen, accounting for 60.6% of the Group Series of Companies (excluding COGO) contracted sales, among which RMB70.45 billion were achieved in Shanghai.

Focusing on the demand for better housing, the Group debuted its inaugural high-end project series, Infinite Horizons, in Beijing, Shanghai, Shenzhen, Nanjing and other cities, geared towards customers seeking better housing, and reported strong sales that bucked the market trend. These included the Jianguo East Road project in Shanghai, with contracted sales of RMB38.73 billion, setting a national record for total annual contracted sales at a single residential project; Avant in Shanghai, which achieved contracted sales of RMB28.21 billion; and Arcadia Bay in Shenzhen, which achieved contracted sales of RMB15.62 billion.

The Group launched nine commercial properties, increasing total GFA of commercial property in operation by 300,000 sq m. The revenue from commercial properties continued to grow steady, to RMB7.13 billion, an increase of 12.1% as compared to the previous year.

Chairman's Statement (continued)

Even as the property market adjusted downward and uncertainty increased, the Group upheld its disciplined investment, focused on selecting quality assets in higher-tier cities and making precise investments. Through the year, the Group acquired 22 land parcels in 12 Chinese mainland cities, with a total land premium of RMB80.61 billion and attributable land premium of RMB69.63 billion, ranked first among the industry in terms of newly acquired land premium. The attributable land premium in the four first-tier cities accounted for approximately 73.5% of the total attributable land premium of the Group, highlighting the advantageous position of its premium property portfolio.

The Group sustained its financial soundness and strong cost advantage. At 31 December 2024, the Group's liability-to-asset ratio was 55.8% and net gearing was 29.2%, while it maintained its status as a "green category" enterprise. The Group actively managed its interest-bearing debt portfolio, made an early repayment of a club loan of HK$12.11 billion, which is due in November 2027, and made a total net debt repayment of RMB17.55 billion, effectively optimising the debt structure, the proportion of RMB debt had increased to 82.3%. The Group had bank deposits and cash of RMB124.17 billion, and operating net cash inflow of RMB46.45 billion. The Group's average borrowing cost was 3.1% in 2024, among the lowest in the industry. The ratio of selling, distribution and administrative expenses to revenue was 3.7%, an industry-leading cost-efficiency ratio, further enhancing the Group's competitive advantage in cost and expense control.

Looking ahead, the domestic economy and property market will continue to face multiple pressures and challenges. Entering 2025, new opportunities and growing momentum surfaced, and the Group believes that the "three driving forces" will stem the downturn and restore stability in the property market. This will further sharpen the Group's competitive edge and maintain its steady, sustainable, high-quality development.

First, Policy Impetus — In early March, during the "Two Sessions", the Government's work report emphasised the implementation of a more proactive macro-policy, expansion of domestic demand, stabilising the property and stock markets, and targeting 5% GDP growth in 2025, with economic growth continuing to lead the world. Regarding the real estate industry, the government emphasises "making continued efforts to stem the downturn and restore stability in the property market". The policies for boosting domestic demand and stabilising the housing market will strongly underpin the stabilisation of the property market.

Second, Market Enablers — After more than three years of vigorous de-stocking, the structure of property supply and demand has significantly improved and the market is healthier. A series of favourable factors, including the lifting of purchase and lending restrictions along with historically low mortgage interest rates, are driving the ongoing release of demand for better housing. Increased activity in renovation of urban villages and dilapidated housing will drive further incremental demand. Meanwhile, the optimisation of the land supply structure in various regions, along with the availability of more quality projects in prime locations, will stimulate consumers to enter the market. The continuous improvement of both supply and demand sides will strongly drive the market to stem the downturn and restore stability.

Third, the Group's Enduring High-quality Development Drivers — Amid dramatic volatility and adjustment in the industry, the Group is financially sound and well-funded, with excellent asset quality and quantity that provides a robust safety barrier. The Group has continuously strengthened its resource aggregation capabilities. For the past two years, the Group has ranked first in the industry for newly acquired land premiums, with the attributable land premium in first-tier cities accounting for 65.1% over these two years, strengthening its property portfolio in terms of both premium value and extent. With industry-leading investment capabilities, product strength, sales power, and cost advantages, the Group is confident that the sales and profitability of its residential business will remain industry-leading. The Group's commercial property business has achieved double-digit revenue growth over the past five years. By further enhancing the operational quality and effectiveness of its commercial assets, and launching a number of quality commercial projects in first-tier cities successively, the Group is confident of sustaining steady growth in commercial property revenue.

Chairman's Statement (continued)

In 2024, the phenomenal products created by the Group reported strong sales that bucked the market trend. "Good products" are the foundations of the reputation of "Craftsmanship", serving as one of the competitive advantages of the Group. The Group has always focused on achieving "good efficiency" through "good products and good services". The Group's main product is houses, and the construction of "Good Houses" has been included in 2025 government work report. The "Good Houses" construction standard in the new era aims to create a modern version of the "Construction Code", comprehensively enhancing building performance and the living experience through good design, good construction, good materials, and good operations and maintenance. With the rapid development of digital technology and artificial intelligence, houses will inevitably become intelligent terminal that connect lives and services. In September 2024, directed by the Ministry of Housing and Urban-Rural Development, the Group was the first to introduce the "China Overseas Good Houses" prototype at the CSCEC Science and Technology Exhibition, aligned with the principles of "safe, comfortable, eco-friendly, and smart". The "China Overseas Good Houses" prototype was embraced by all sectors of society. In 2025, the Group plans to launch a number of "China Overseas Good Houses" in Beijing, Shanghai and other cities. With the lifting of price restrictions, the Group will have the opportunity to create greater value through the development of "China Overseas Good Houses".

The Group has weathered many economic cycles and fluctuations in the property market, and stood firm as an industry leader. "Long-termism and trustworthiness" is the industry reputation of the Group, which has been operating steadily for 46 years. During the downturn and transition of the industry, the Group will continue to adhere to its core value of "Customer-oriented, Quality Assurance and Value Creation", and uphold its business philosophy of "Good Products, Good Services, Good Effectiveness, Good Citizen". The Group will coordinate with partners' support to contribute to the advancement of the real estate industry towards a new development model.

Finally, I would like to take this opportunity to express my sincere gratitude to our domestic and overseas customers, the shareholders and the whole community for their support and trust. I would also like to express my heartfelt gratitude to my fellow directors and all employees for their dedication and determination to pursue excellence.

China Overseas Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

Management Discussion and Analysis

Arcadia Bay, Shenzhen

OVERALL PERFORMANCE

During the year, the revenue of the Group was RMB185.15 billion. The operating profit was RMB26.69 billion. The gross profit margin was 17.7%. The ratio of selling, distribution and administrative expenses to revenue was 3.7%. Profit attributable to owners of the Company was RMB15.64 billion. Core profit attributable to owners of the Company excluding effects such as after-tax revaluation gains from investment properties and net foreign exchange gains and losses was RMB15.72 billion. Basic earnings per share was RMB1.43.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT

In 2024, the contracted property sales of the Group Series of Companies increased by 0.3% to RMB310.69 billion and the corresponding sales area was 11.49 million sq m, a decrease of 14% as compared to the previous year. The average contract sales price of the Group Series of Companies was RMB27,047 per sq m, an increase of 16.6% as compared to the previous year.

In 2024, the Group Series of Companies' contracted property sales and the corresponding sales area by region were as follows:

	Contracted property sales *(RMB billion)*	Proportion *(%)*	Sales area *('000 sq m)*	Proportion *(%)*
Southern Region	59.28	19.1	1,579	13.8
Eastern Region	99.04	31.9	1,818	15.8
Central and Western Region	27.51	8.9	1,858	16.2
Northern Region	55.94	18.0	1,861	16.2
Hong Kong, Macau and Overseas Region	3.54	1.1	17	0.1
Sub-total for the Company and its subsidiaries	**245.31**	**79.0**	**7,133**	**62.1**
Joint ventures and associates of the Company (excluding COGO)	25.27	8.1	870	7.6
China Overseas Grand Oceans Group Limited ("COGO")	40.11	12.9	3,484	30.3
Total	**310.69**	**100**	**11,487**	**100**

The Group adheres to cash flow management as its core focus, enhancing sales proceeds collection. In 2024, four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen each had sales proceeds collection exceeding RMB10 billion. Among these, sales proceeds collection in Shanghai and Beijing exceeded RMB40 billion and RMB20 billion respectively.

During the year, the Group's revenue from property development was RMB174.72 billion.

During the year, the net profit contribution from associates and joint ventures amounted to RMB0.65 billion.

The major associate, COGO, recorded contracted property sales of RMB40.11 billion, revenue of RMB45.9 billion, and profit attributable to the shareholders of RMB0.95 billion.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

During the year, the Group Series of Companies (excluding COGO) completed projects with a total GFA of 10.59 million sq m in 30 Chinese mainland cities and Hong Kong.

The area of projects completed by region in 2024 was as below:

City	Total GFA ('000 sq m)
Southern Region	
Xiamen	672
Shenzhen	640
Guangzhou	626
Changsha	615
Nanchang	224
Foshan	125
Zhuhai	117
Wanning	70
Jiangmen	65
Fuzhou	34
Sub-total	**3,188**
Eastern Region	
Jinan	756
Ningbo	379
Qingdao	252
Nanjing	184
Hangzhou	177
Shanghai	171
Suzhou	47
Sub-total	**1,966**

City	Total GFA ('000 sq m)
Central and Western Region	
Taiyuan	592
Xi'an	471
Chengdu	395
Guiyang	388
Chongqing	313
Zhengzhou	161
Wuhan	89
Sub-total	**2,409**
Northern Region	
Beijing	1,454
Tianjin	886
Shenyang	168
Changchun	144
Shijiazhuang	102
Dalian	53
Sub-total	**2,807**
Hong Kong, Macau and Overseas Region	
Hong Kong	220
Sub-total	**220**
Total	**10,590**

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Adhering to the strategy of stable and enduring growth, the Group is firmly committed to implementing high-quality development. The Group maintained the investment strategy of "Major cities, mainstream areas and mainstream products", sustaining a strong emphasis on investment security and concentrating its development focus on core cities and core areas, with an increased proportion of core assets, so as to prioritise stability, achieve steady progress and always select the highest-quality assets. The Group intensified land investment in the non-public market by proactively seeking out opportunities, conducting extensive research, and engaging high-level coordination, in order to expedite the development of high-quality projects while continuously optimising the Group's investment presence.

During the year, land investment remained at a low level, with both supply and transaction volumes shrinking by over 60% compared to their historical highs, and key cities experiencing a year-on-year decline of nearly 30%. Land auction activity varies significantly among cities and districts, while developers' investment strategies are severely homogeneous, leading to intense competition in the land market in core areas of key cities.

The Group invested prudently and precisely, focusing on core areas and core cities. During the year, the attributable land premium in the four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, and four major second-tier cities of Chengdu, Hangzhou, Tianjin and Xi'an were RMB63.62 billion, accounting for 91.4% of the attributable land premium. Among these, eight quality land parcels were acquired in first-tier cities with the attributable land premium of RMB 51.16 billion, representing 73.5% of the attributable land premium, successfully expanding the scale of investment in first-tier cities. Since 2023, the share of investment in first-tier cities and major second-tier cities has consistently exceeded 90%, with a significantly increased share in first-tier cities, and the Group continues to refine its investment presence.

The Group focused on precise investment in high-quality assets. The Group acquired three land parcels in the Chaoyang District project in Beijing, and other land parcels in Fengtai District project in Beijing, Shijiangshan District project in Beijing, Yanta District project in Xi'an, Shahekou District project in Dalian, and Longhua District project in Haikou, all at rock-bottom prices or at a very low premium. The Group has fully utilised its comparative advantage in high-total-price projects and actively acquired large-scale projects in higher-tier cities. Notably, in 2024, the attributable land premium in Beijing acquired at rock-bottom prices or at a very low premium amounted to RMB34.16 billion, accounting for 49.1% of the attributable land premium.

The Group fully leveraged its comprehensive advantages of financial stability and ample funds to maintain active investment and proactively expand quality land acquisitions, further strengthen its investment efforts in first-tier cities, and focus on the expansion of large-scale cornerstone projects to provide a solid foundation for the Company's steady development.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

During the year, the Group acquired 22 land parcels in 12 Chinese mainland cities, adding a total GFA of 4.16 million sq m to the land reserve and attributable GFA of 3.89 million sq m. The total land premium was RMB80.61 billion and attributable land premium of RMB69.63 billion.

The table below shows the details of land parcels added in 2024:

City	Name of Development Project	Attributable Interest *(%)*	Land Area *('000 sq m)*	Total GFA *('000 sq m)*
Tianjin	Hexi District Project 1	100	25	78
Xi'an	Hi-tech Industrial Development Zone Project	100	18	64
Beijing	Shijngshan District Project	100	68	316
Beijing	Haidian District Project	70	25	70
Xi'an	Yanta District Project 1	100	85	444
Jinan	Huaiyin District Project	100	47	197
Chengdu	Qingyang Project	100	74	186
Tianjin	Hexi District Project 2	100	7	20
Haikou	Longhua District Project	100	69	189
Shijiazhuang	Qiaoxi District Project	100	64	179
Shenzhen	Nanshan District Project 1	51	9	86
Changchun	Economic Development Zone Project	100	40	72
Shanghai	Yangpu District Project 1	100	19	78
Dalian	Shahekou District Project	100	39	122
Shanghai	Yangpu District Project 2	100	21	78
Beijing	Chaoyang District Project	100	147	639
Shenzhen	Nanshan District Project 2	50	39	394
Xi'an	Yanta District Project 2	100	63	308
Beijing	Fengtai District Project	100	64	245
Tianjin	Nankai District Project	100	40	125
Changchun	Hi-tech Industrial Development Zone Project	100	48	120
Hangzhou	Binjiang District Project	100	30	145
Total			**1,041**	**4,155**

At 31 December 2024, the Group Series of Companies (excluding COGO) had a total land reserve of 28.77 million sq m in GFA and attributable GFA of 25.43 million sq m.

During the year, total GFA of land acquired by COGO was 1.19 million sq m. At 31 December 2024, the total GFA of COGO's land reserve was 13.78 million sq m and attributable GFA of 11.59 million sq m.

The total GFA of the Group Series of Companies' land reserve was 42.55 million sq m.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

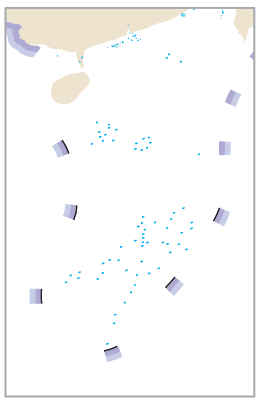
LAND RESERVE DISTRIBUTION*

Total Land Reserve Summary

	City	Total GFA ('000 sq m)
Southern Region	Guangzhou, Foshan, Zhaoqing	2,450
	Shenzhen	1,550
	Zhuhai, Haikou, Wanning	910
	Changsha, Nanchang	800
	Fuzhou, Xiamen	590
	Sub-total	**6,300**
Eastern Region	Shanghai, Jiaxing	1,670
	Qingdao	1,230
	Suzhou, Wuxi	1,190
	Jinan	1,150
	Nanjing	400
	Ningbo	370
	Hangzhou	320
	Sub-total	**6,330**
Central and Western Region	Chongqing, Guiyang	2,660
	Wuhan	1,600
	Taiyuan, Zhengzhou	1,180
	Chengdu	1,120
	Xi'an	990
	Sub-total	**7,550**
Northern Region	Beijing	2,960
	Tianjin, Shijiazhuang	2,360
	Shenyang	930
	Changchun, Harbin	910
	Dalian	880
	Sub-total	**8,040**
Hong Kong, Macau and Overseas Region	Hong Kong	550
	Sub-total	**550**
	Total	**28,770**

Representing the Group Series of Companies (excluding COGO)

Sketch map of coastline



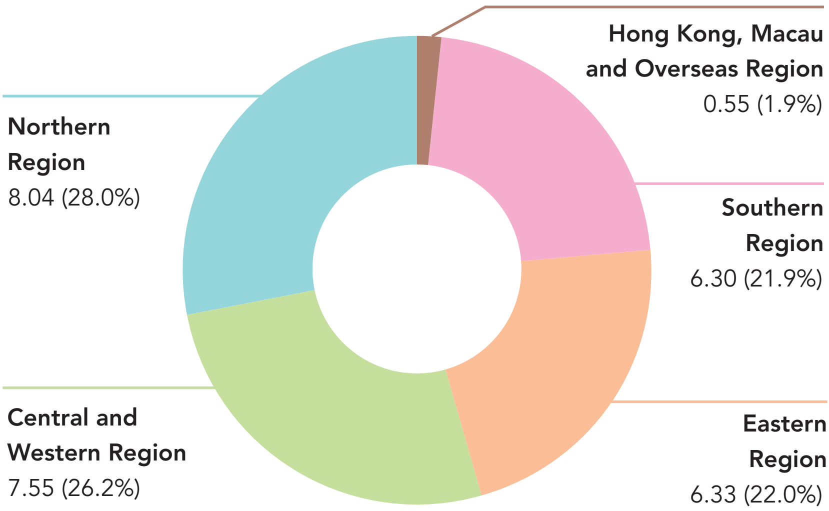
Management Discussion and Analysis (continued)

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

BREAKDOWN OF LAND RESERVE BY REGION*

Total GFA, million sq m



* *Representing the Group Series of Companies (excluding COGO)*

The Group adheres to the philosophy of building "Good Houses" and providing customers with "Good Products" and "Good Services" as its strategic foundation. By thoroughly researching people's living needs, and iteratively pursuing product development, the Group develops better housing benchmarks for its customers. During the year, the CSCEC Science and Technology Exhibition was opened. It was directed by the Ministry of Housing and Urban-Rural Development of the People's Republic of China and organised by China State Construction Engineering Corporation (CSCEC). The Group's prototype, named "New-build Good House", showcased its core principles of "High Performance + Good Experience". This prototype highlighted the exceptional performance of the Groups's products and their provision of the ultimate living experience. By integrating 16 major technological systems, it addressed 134 public expectations for a "Good House", aligning with the principles of "safe, comfortable, eco-friendly, and smart", leading the industry in high-quality development.

The Group is committed to implementing the national new development philosophy and promoting high-quality business development, while yielding fruitful results in zero-carbon health and smart home initiatives. In September 2024, on the fourth anniversary of China's seminal declaration of Peak Carbon Emissions and Carbon Neutrality, the China Association of Building Energy Efficiency (CABEE) officially released the first batch of zero-carbon building projects in China. Leveraging the Group industry-leading practices in implementing the "Dual Carbon" strategy, China Overseas Building in Shenzhen and China Overseas Finance Centre in Beijing were both selected for the first batch of zero-carbon building projects, marking official recognition of the Group's research and construction of zero-carbon buildings, and representing a breakthrough in green low-carbon development.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

Property development projects of the Group Series of Companies (excluding COGO) are mainly located in first-tier and second-tier cities in Chinese mainland. Projects that are worth noticing in terms of scale of current or future sales in their respective regions will be introduced below. Details are as follows:

PROJECT INTRODUCTION

Southern Region

Site area: 36,294 sq m | Total GFA: 292,897 sq m

Arcadia Bay, Shenzhen (100%-owned)

Arcadia Bay is located in the Shenzhen Bay Super Headquarters Base, Nanshan District, Shenzhen. The area is surrounded by mountains, sea, lake, wetland park, and golf course, making it a rare livable sector rich in resources. The area is well-served by convenient transportation networks, boasts abundant educational resources and well-developed commercial amenities. The project, with its prime geographical location, high-quality architectural design, comprehensive supporting facilities, and as the inaugural offering of the Infinite Horizons product series, has set a benchmark for top-tier luxury residences. The project comprises two buildings with a total of 515 units. The main unit types include flats ranging from 196 to 328 sq m and penthouse duplexes ranging from 400 to 600 sq m. The project covers a diversified mix of development, including serviced apartments, commercial and kindergartens. The project started construction in December 2023, and was launched for sale in June 2024. As of December 2024, the accumulated contracted property sales was RMB15.62 billion. The project is expected to be completed in 2026.

Site area: 28,565 sq m | Total GFA: 233,274 sq m

Feel Time, Shenzhen (80%-owned)

Feel Time is located in the Fenghuangcheng area of Guangming District, Shenzhen, at the hub of the district. The area is a concentration of large-scale high-tech enterprises, making it a desirable central residential area with well-established and comprehensive supporting facilities. These include commercial clusters such as Mira Land and Wanda Plaza. The project is close to a high-speed rail station, Metro Line 6 and the under-construction Metro Line 13 that with direct access to Futian/Nanshan. Across the road, there are Shenzhen Experimental School Guangming Kelin and Guangming Fenghuang School Affiliated to Southern University of Science and Technology. The project is planned to construct four super high-rise residential buildings with a total of 1,537 units, primarily featuring three- and four-bedroom flats with GFA of approximately 82/89/108 sq m. The project also includes community commercial facilities and an infinity pool garden, as well as multiple functional areas such as light office and leisure zone, and aerobic exercise zone, providing property owners with convenient living services and recreational spaces. The project started construction at the end of December 2022, and was launched for sale in September 2023. As of December 2024, the accumulated contracted property sales was RMB4.58 billion. The project was completed in 2024.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

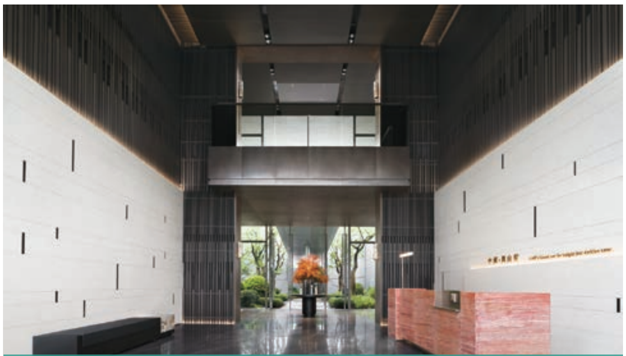
PROJECT INTRODUCTION *(continued)*

Southern Region *(continued)*

Site area: 177,193 sq m | Total GFA: 548,933 sq m

One Oasis, Guangzhou (90%-owned)

One Oasis is situated in Haizhu District, Guangzhou, adjacent to the southern central axis of Guangzhou Avenue and on the northern side of Shangchong Fruit Tree Park. Leveraging its excellent ecological advantage of being next to Haizhu National Wetland Park, the project is designed as an ecological high-end residence in the city center, featuring the concept of "cloud-wreathed mountains, glistening rivers, and green oases". The project is surrounded by comprehensive facilities, with major commercial clusters such as Wanda Plaza and Hopson Mall nearby. It also benefits from multiple kindergartens, primary and secondary schools, as well as high-quality Grade 3A medical resources in Haizhu District, meeting diversified daily needs. As one of the few large high-end residential projects in the community, the project is planned to construct fifteen mid-rise, low-density residential buildings, offering GFA ranging from 125 to 270 sq m. The project has received multiple awards, including "Bay Area Model Luxury Residence for Quality Living of the Year", and "2024 Quality Luxury Residence Award". The project started construction in November 2023, and was launched for sale in March 2024. The project achieved top sales in the Guangzhou market at its initial launch and has continued to have robust sales thereafter. As of December 2024, the accumulated contracted property sales was RMB7.78 billion. The project is expected to be completed in 2026.



Site area: 55,897 sq m | Total GFA: 163,355 sq m

Yue Shan Mansion, Changsha (100%-owned)

Yue Shan Mansion is located in Yanghu Ecological New Town, Yuelu District, Changsha, at the core area of the Changsha-Zhuzhou-Xiangtan (CZT) City Cluster. The project is complemented by a superb ecological environment, overlooking approximately 2,000 acres of Shifeng Mountain Forest Park and the 7,200 acres Yanghu National Wetland Park just a one-stop away. The project benefits from a well-developed transportation network, with multiple transit nearby. It is close to Shantang Station on Metro Line 3. Additionally, there are medical facilities nearby such as Women and Children's Hospital of Hunan, a provincial-level Grade 3A hospital. The project plans to build nine mid-rise residential buildings and four low-rise buildings, emphasising low-density premium units situated near the mountains, with a GFA of approximately 114 to 143 sq m. The project is generally designed as a low-density community with a plot ratio of 2.3, ensuring residents a private and tranquil environment. The project started construction at the end of December 2023, and was launched for sale in April 2024. The project is expected to be completed in 2025.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Eastern Region

Site area: 85,969 sq m | Total GFA: 418,773 sq m

Arbour I/Arbour II, Shanghai (98%-owned)

Arbour I/Arbour II is situated in the Xintiandi section of Huangpu District, Shanghai, located at the intersection of Metro Lines 8, 9, 10, and 13, seamlessly linking to the main junk road, Xujiahui Road, facilitating easy transportation within the heart of Shanghai. The surrounding area offers abundant educational and medical resources, including a number of top-tier schools and Grade 3A hospitals, providing comprehensive support. The project includes two super-high-rise residential buildings, one high-rise residential building and 204 low-density villas, as well as historically protected buildings. As part of a historic preservation and urban renewal projects, through architectural preservation techniques such as in-situ jacking reverse construction, translation, and facade retention with internal replacement, the project endeavours to transform the city's historical legacy into public cultural treasures. It blends historical cultural significance with contemporary living quality in its super-high-rise residences and preserved villas, perpetuating Shanghai's historical context. The project started construction in October 2022, and was launched for sale in March 2024. It was sold out on the first day of launch with sales amounted to RMB19.65 billion, setting a national record for total contracted sales of a single residential project on its launch day. With three rounds of sales triumph, it became the project with the highest number of units launched, as well as the highest sales price and the highest total sales amount in the city. As of December 2024, the accumulated contracted property sales was RMB38.73 billion. The project is expected to be completed in 2025.

Site area: 81,709 sq m | Total GFA: 315,084 sq m

Avant, Shanghai (85%-owned)

Avant, located in the prime area of Xuhui District, Shanghai, is a core and important functional carrier of high-quality in the central activities zone according to Shanghai's 2035 planning. The project is adjacent to the AVANT West Bund Digital Intelligence Center, the West Bund Digital Valley, and the West Bund Media Port. Art galleries, creative parks, and renowned enterprises are concentrated nearby, making it not only a place to live, but also a vibrant and creative community. The project enjoys excellent accessibility, with multiple metro and bus stations within a 3-kilometre radius. It is a million-square-metre complex, covering offices, shopping malls and long-term leased apartments. It consists of fourteen high-rise residential buildings, offering a variety of flat units ranging from 102 to 280 sq m to cater to different families' needs. The layouts of units are well-designed, ensuring ample natural light and broad views, and allowing residents to enjoy the beautiful scenery of Huangpu River. The project started construction in January 2024, and was launched for sale in June in the same year. As a high-end product series of the Group, the project achieved remarkable sales performance, with five consecutive sold out on its launch day within six months, totaling 1,200 units sold. As of December 2024, the accumulated contracted property sales was RMB28.21 billion, and the project is expected to be completed in 2026.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Eastern Region *(continued)*

Site area: 57,054 sq m | Total GFA: 193,765 sq m

Maison D'émeraude, Hangzhou (100%-owned)

Maison D'émeraude is situated in the industrial area (north) of Xiaoshan District, Hangzhou, right on the central axis of Qianjiang Century City. The project is close to six major commercial complexes, including SCPG-HUIDELONG Hangzhou Aoti InCity and Xiaoshan Mixc. Within a 3-kilometre radius, there are abundant medical resources, such as Women's Hospital, School of Medicine, Zhejiang University and International Medicine Department of the Second Affiliated Hospital Zhejiang University School of Medicine. Educational facilities for all age groups are also close by, including Shixin Kindergarten in Xiaoshan District, Xiaoshan Shixin Primary School and Xianshan HIPARK Junior High School. On the west side of the project, there is Jianshesan Road Station, which is an interchange station for Metro Lines 2 and 7, providing convenient transportation. The project plans to consist of twelve high-rise residential buildings, totaling 1,056 units, primarily featuring three- and four-bedroom units with a GFA of approximately 110/132/156 sq m. The project started construction in October 2023, and was launched for sale in January 2024. As of December 2024, the accumulated contracted property sales was RMB2.35 billion, and the project is expected to be completed in 2025.

Site area: 43,558 sq m | Total GFA: 153,897 sq m

Infinite Horizons, Nanjing (100%-owned)

Infinite Horizons is located at the intersection of Yecheng Road and Pingliang Street, Jianye District, Nanjing, within the prime residential area of the city. The project enjoys convenient transportation, with multiple major roads and rail transit options nearby. The project's surrounding facilities are well-developed, adjacent to some large-scale commercial complexes such as One Mall and Nanjing International Finance Center (IFC); and cultural and sports landmarks such as Hexi Urban Ecological Park and Jiangsu Centre for the Performing Arts. For education and medical resources, there are High School Affiliated to Nanjing Normal University and Primary School Attached to Nanjing Normal University, as well as the Nanjing Children's Hospital Hexi Branch, Nanjing International Hospital, the Affiliated Hospital of Nanjing University Medical School and other Grade 3A hospitals. The project plans to consist of ten high-rise residential buildings with a total of 430 units. It primarily offers ecological large flats with GFA ranging from 200 to 280 sq m, villa-style large flats of 280 to 305 sq m, and villa lofts of 400 sq m, with each unit featuring a private sky garden terrace of 20 to 30 sq m. The project started construction in November 2023 and was launched for sale in September 2024. As of December 2024, the accumulated contracted property sales was RMB1.39 billion, and the project is expected to be completed in 2025.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Central and Western Region

Site area: 53,685 sq m | Total GFA: 309,527 sq m

Dong Hu Jiu Zhang, Wuhan (100%-owned)

Dong Hu Jiu Zhang is located at the intersection of Zhongbei Road and Huangyao Road, Wuchang District, Wuhan, right at the prime area of the city. The project is uniquely positioned between two lakes, situated near the west bank of East Lake and facing Sand Lake, with East Lake located directly behind it. Several cultural landmarks such as Hubei Provincial Museum, Wuhan University, are all within a one-kilometre radius. The project is supported by a 15-minute community-life circle, offering convenient access to daily needs. Within two kilometres, there are commercial landmarks such as Chu River Han Street and Wuhan SKP mall; and Grade 3A hospitals such as Zhongnan Hospital and Liyuan Hospital. In terms of educational resources, high-quality nine-year integrated curriculum school will be introduced in the community, through a government-enterprise co-construction model, complemented by an on-site kindergarten, forming a comprehensive twelve-year education system. The project is planned to build ten residential buildings with a total of 1,357 units, mainly offering three- and four-bedroom units with a GFA of approximately 125 to 172 sq m. Each unit features a balcony over seven-metre wide, providing stunning views of East Lake and Sand Lake. The project started construction in March 2024 and was launched for sale in July in the same year. The project is expected to be completed in 2026.

Site area: 32,790 sq m | Total GFA: 177,213 sq m

Private Mansion, Taiyuan (100%-owned)

Private Mansion is situated at the intersection of Qianfeng North Road and Yumen River in Wanbailin District, Taiyuan, a core residential area of the district. The project is located in a well-established and mature old town area, which is rich in cultural heritage and premium urban resources. Within a one-kilometre radius, the area has cultural landmarks such as Shanxi Museum and Shanxi Natural History Museum. Educational resources nearby include the renowned Gongyuan Road Primary School in Wanbailin District and Taiyuan University of Technology, a "double first-class" university of world-class university and first-class academic discipline. It also close to several major shopping centres like A.D Era City and Taiyuan Wuyue Plaza. The project consists of nine high-rise residential buildings, totalling 1,077 units, with individual units of GFA ranging from approximately 107 to 149 sq m. The project started construction in March 2024, with residential units launched for sale in March and May of the same year. Each launch achieved record-breaking sales, exceeding 200 units, setting consecutive sales records for new projects in Taiyuan. As of December 2024, the accumulated contracted property sales amounted to RMB1.35 billion. The project is expected to be completed in 2025.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Central and Western Region *(continued)*

Site area: 37,139 sq m | Total GFA: 141,994 sq m

Protagonist of Time, Zhengzhou (100%-owned)

Site area: 52,386 sq m | Total GFA: 177,654 sq m

Infinity Vision, Xi'an (70%-owned)

Protagonist of Time is in the main urban area of Zhongyuan District, south of Ersha Park, adjacent to Ersha Metro Station and Longhai Expressway, providing easy commute to the entire city. The project benefits from excellent medical and educational facilities, with over 30 schools in the vicinity, including Yihe Road Primary School (Shanhe Road Campus) and Zhengzhou No. 69 Middle School, as well as Grade 3A hospitals such as Zhengzhou TCM Hospital and Women & Infants Hospital of Zhengzhou. The project can enjoys a rich cultural environment, featuring Xiliu Lake Ecological Park, the national-level Ersha Cultural and Creative Park, and Zhongyuan Wanda Plaza, providing high-quality lifestyle venues for residents. The project consists of three low-rise buildings with 91 units and five high-rise residential buildings with 520 units. The project has received a number of accolades, including the "Platinum Winner at the 2024 MUSE Design Awards in the Interior Design category", the "London Design Awards 2024 — Silver Award for Architectural Design", and the "China Real Estate Industry Association High-Quality Residential Project". The project was launched for sale in April 2024, as of December 2024, the project has achieved accumulated contracted sales of exceeding RMB1.61 billion, ranking the first among residential projects in the main urban area of Zhengzhou. The project is expected to be completed in 2025.

Infinity Vision is located in the Central Innovation District ("CID"), the centre of the Silk Road Science City, Hi-tech Industrial Development Zone, Xi'an, next to the iconic landmark "Future Eye". The project is surrounded by comprehensive facilities, including convenient access to multiple planned metro lines and large commercial shopping centers. Recreational spaces nearby include the approximately 450-acre Future Eye Science Park and Yong'an Canal Sponge City Ecological Park. With well-developed education and medical facilities, the area hosts several premium schools under construction, as well as leading hospitals such as the Xi'an International Medical Center Hospital, the largest Grade 3A hospital in Northwest China, and the Xi'an Gaoxin Hospital, providing an ideal environment to live and work in. The overall design concept of the project aligns with the "Future Eye", envisioning a harmonious integration of urban life, nature, mountains, and culture. The project comprises three mid-rise buildings with 200 units and eleven high-rise buildings with 529 units, with unit of GFA ranging from approximately 133 to 235 sq m. It features a spacious inter-building distance of up to 80 meters, establishing a new landmark in the CID. The project started construction in March 2024, and is expected to be completed in 2025.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Northern Region

Site area: 65,662 sq m | Total GFA: 267,978 sq m

China Overseas La-Cite, Beijing (80%-owned)

China Overseas La-Cite is situated in Changdong Road, Changping District, Beijing. It stands within Zhuxinzhuang, an intersection of Zhongguancun Science City and Beijing Future Science Park under the "Three science cities and one demonstration area" initiative. The project is adjacent to the Changping Line, Metro Line 8 and the Beijing–Lhasa Expressway, benefiting from abundant resources and excellent connectivity. Additionally, the project is equipped with comprehensive facilities covering commercial, industrial, medical and educational needs. It is surrounded by two major commercial projects, namely the Wanda Commercial Complex and HOPS★ON, two urban green parks, schools catering to all age groups and Grade 3A hospitals. The project is meticulously designed, integrating technology into architecture, focusing on quality in every details, in order to present ideal residences. The project comprises eighteen blocks of mid-rise buildings and low-rise buildings, with eleven blocks in the southern section and seven blocks in the northern section, offering a total of 932 units. The project features three- to four-bedroom layouts ranging from 88 to 145 sq m. The project started construction in March 2024, and was launched for sale in the same month. As of December 2024, the accumulated contracted property sales was RMB4.05 billion, and the project is expected to be completed in 2025.

Site area: 40,758 sq m | Total GFA: 164,732 sq m

Infinite Horizons, Beijing (100%-owned)

Infinite Horizons, Beijing, belongs to the Group's meticulously designed high-end product series and is located in the heart of Xicheng District, along the Second Ring Road, and is approximately 2.5 km away from Tiananmen Square and sits at the intersection of Subway Line 7 and Line 4. The project is equipped with mature auxiliary facilities, adjacent to the Seasons Place and JOY CITY, Primary School Affiliated to Beijing No.8 High School, Jingshan Park, Peking Union Medical College Hospital are in proximity. As a brand-new, high-end and exceptionally rare luxury apartment in Xicheng District, the project represents the top-tier project of Infinite Horizons Series exquisitely designed by the Group, featuring a black-and-gold visual system presented by the artistry of jade carving and gold inlay, giving the overall design of the Chinese-style architecture a sense of elegance and grandeur. Every detail of the artistry of jade carving and gold inlay exudes luxury. The project comprises nine mid-rise buildings, five low-rise buildings and seven independent siheyuan, offering a total of 506 units that feature two- to four-bedroom layouts of flats, ranging from 89 to 203 sq m of GFA. The project started construction in June 2024, and was launched for sale in the same month. As of December 2024, the accumulated contracted property sales was RMB7.56 billion. The project is expected to be completed in 2027.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Northern Region *(continued)*

Site area: 29,608 sq m | Total GFA: 69,800 sq m

Nankai Reflection, Tianjing (100%-owned)

Nankai Reflection is located in Nankai District, Tianjin, the city's core residential area. The project benefits from a well-developed rail transport system with convenient access to the city. Within a two-kilometre radius, there are seven metro lines crossing in all directions. The project is right in the Haiguang Temple central business district where all essential facilities are available. Educational and medical resources are ample, with key schools such as Tianjin Nan Kai Qu Zhong Xin Primary School and Tianjinshi Nankaiqu Wumalu Primary School, as well as nine Grade 3A general/specialty hospitals including Tianjin Medical University General Hospital and Tianjin Central Hospital of Gynecology Obstetrics (Nankai District). The project features high-end apartments of the Reflection Series and consists of eight low-rise buildings with a total of 312 units and one mid-rise building with 60 units. The project has a plot ratio of 1.61, offering a low-density and comfortable community. The project started construction in January 2024, and was launched for sale in April of the same year. As of December 2024, the accumulated contracted property sales was RMB1.75 billion, and the project is expected to be completed in 2025.

Site area: 53,970 sq m | Total GFA: 148,780 sq m

Main Peak, Shijiazhuang (100%-owned)

Main Peak is located at the intersection of Yuhua Road and Jianshe Avenue in Shijiazhuang, the core of the city's dual main axes, where governmental, cultural, business-related, commercial, medical and educational resources are available. The project enjoys convenient transportation with well-developed road network, adjacent to the Yuhualu Station of Metro Line 2. The project is situated in the Beiguo & Letai commercial district, right in the city centre, with access to major shopping centres such as Beiguo Commercial Building and Huaite International Shopping Mall, as well as top-tier Grade 3A hospitals in Hebei Province like Shijiazhuang People's Hospital and The Third Hospital of Shijiazhuang. The project, as a part of the Peak Series, features a low-density community with plot ratio of 2.0, and consists of nine multi-storey buildings, five mid-rise buildings and three high-rise buildings, totaling 550 units, mainly offering apartment with GFA of approximately 150 to 460 sq m, being the full-life-cycle housing type, which is designed to meet housing demand from intergenerational living and changes in family structures. The project started construction in October 2023, and was launched for sale in the same month. As of December 2024, the accumulated contracted property sales was RMB3.53 billion, and the project is expected to be completed in 2025.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

PROJECT INTRODUCTION *(continued)*

Hong Kong and Macau and Overseas Region

Site area: 41,687 sq m | Total GFA: 114,896 sq m

Grand Mayfair I/Grand Mayfair II (33.3%-owned)

Grand Mayfair I/Grand Mayfair II, situated in 29 Kam Ho Road, Kam Tin South, Hong Kong, is right on top of the Kam Sheung Road MTR Station, benefiting from the well-developed transportation as well as the development opportunities of the Northern Metropolis. Grand Mayfair I and Grand Mayfair II consist of nine blocks with 1,520 units of saleable GFA ranging from 339 to 977 sq ft, catering to different buyer needs by the virtue of diversifying housing types. The project features over 260,000 sq ft of garden and recreational space, with dual residential clubhouses, "LAKE MAYFAIR", spanning over 37,000 sq ft, which offers a variety of amenities, including a 50-metre outdoor swimming pool and lakeside gym. The project was launched for sale in April 2022 and is expected to be completed in 2025. As of December 2024, the accumulated contracted property sales was HK$12.5 billion.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

MAJOR PROJECTS UNDER DEVELOPMENT

City	Project	Location	Group's interest (%)	Intended Use	Site Area (sq m)	Total GFA (sq m)	Progress
Shenzhen	Arcadia Bay	Nanshan District	100	Residential	36,294	292,897	Under construction
Shenzhen	Renaissance Mansion	Nanshan District	51	Residential	9,007	58,015	Under construction
Shenzhen	Sunshine Oak Garden	Longgang District	80	Residential	25,462	164,968	Under construction
Shenzhen	New Metropolis	Longgang District	80	Residential	29,055	125,263	Under construction
Guangzhou	One Oasis	Haizhu District	90	Residential	177,193	548,933	Under construction
Guangzhou	Cozy Corner	Liwan District	100	Residential/ Commercial	13,380	128,632	Under construction
Guangzhou	Asian Games City	Panyu District	100	Residential/ Commercial	2,521,021	5,850,022	Under construction
Guangzhou	Long View	Liwan District	50	Residential/ Commercial	50,911	312,434	Under construction
Zhaoqing	#1 Metropolis	Zhaoqing New District	100	Residential/ Commercial	91,408	391,221	Under construction
Xiamen	Metropolis	Siming District	100	Residential/ Commercial	23,738	174,130	Under construction
Fuzhou	Platinum Park	Cangshan District	100	Residential	29,795	87,833	Under construction
Changsha	Yue Shan Mansion	Yuelu District	100	Residential	55,897	163,355	Under construction
Changsha	The U World	Tianxin District	100	Residential	219,985	688,990	Under construction
Shanghai	Arbour I/Arbour II	Huangpu District	98	Residential/ Commercial	85,969	418,773	Under construction
Shanghai	Avant	Xuhui District	85	Residential	81,709	315,084	Under construction
Hangzhou	Maison D'émeraude	Xiaoshan District	100	Residential	57,054	193,765	Under construction
Hangzhou	Maison D'élite	Xiaoshan District	100	Residential	16,020	60,380	Under construction
Suzhou	Maison Dé Esthétique	High-tech Shishan Business Innovation Zone	100	Residential	48,857	166,090	Under construction
Suzhou	Extraordinary Residence	Xiangcheng District	50	Residential	283,537	776,929	Under construction
Suzhou	Poetry Villa	High-tech Shishan Business Innovation Zone	51	Residential	22,122	58,243	Under construction
Suzhou	Landmark	Gusu District	100	Residential	16,322	42,545	Under construction
Suzhou	Super Skyscraper Project	Suzhou Industrial Park	100	Residential/ Commercial	19,626	413,389	Under construction

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

MAJOR PROJECTS UNDER DEVELOPMENT *(continued)*

City	Project	Location	Group's interest *(%)*	Intended Use	Site Area *(sq m)*	Total GFA *(sq m)*	Progress
Ningbo	Luxurious	Yinzhou District	100	Residential	24,548	69,165	Under construction
Ningbo	The Bund Mansion	Haishu District	100	Residential	51,976	179,336	Under construction
Qingdao	Metropolis Times	Shibei District	100	Residential/ Commercial	56,960	273,469	Under construction
Jinan	Xueshan Realm	Licheng District	100	Residential/ Commercial	55,080	169,432	Under construction
Jinan	Starry Enchantment	Huaiyin District	100	Residential	47,127	201,087	Under construction
Nanjing	Infinite Horizons	Jianye District	100	Residential	43,558	153,897	Under construction
Chengdu	Tianfu One	Tianfu New Area	100	Residential/ Commercial	199,596	1,744,945	Under construction
Chongqing	Nine Scenes	Yubei District	100	Residential/ Commercial	59,426	161,648	Under construction
Chongqing	Riverside Terrace	Yubei District	100	Residential/ Commercial	43,672	109,054	Under construction
Wuhan	Dong Hu Jiu Zhang	Wuchang District	100	Residential	53,685	309,527	Under construction
Wuhan	La Cite	Hanyang District	100	Residential/ Commercial	176,968	1,000,000	Under construction
Taiyuan	Private Mansion	Wanbailin District	100	Residential	32,790	177,213	Under construction
Zhengzhou	Protagonist of Time	Zhongyuan District	100	Residential	37,139	141,994	Under construction
Xi'an	Infinity Vision	Hi-tech Industrial Development Zone	70	Residential	52,386	177,654	Under construction
Xi'an	Glory Manor	Yanta District	100	Residential	84,876	444,775	Under construction
Xi'an	Elite Park	Yanta District	100	Residential/ Commercial	19,794	64,053	Under construction
Beijing	China Overseas La-Cite	Changping District	80	Residential/ Commercial	65,662	267,978	Under construction
Beijing	One Sino Residences	Fengtai District	100	Residential/ Commercial	58,385	124,684	Under construction
Beijing	Parkside Mansion	Fengtai District	95	Residential	34,192	118,988	Under construction
Beijing	Time Villa	Fengtai District	100	Residential	100,649	195,011	Under construction
Beijing	Villa Mount View	Haidian District	70	Residential	25,268	69,601	Under construction

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT *(continued)*

MAJOR PROJECTS UNDER DEVELOPMENT *(continued)*

City	Project	Location	Group's interest (%)	Intended Use	Site Area (sq m)	Total GFA (sq m)	Progress
Beijing	Infinite Horizons	Xicheng District	100	Residential	40,758	164,732	Under construction
Beijing	Origin of Ideal	Shijingshan District	100	Residential/ Commercial	37,380	167,660	Under construction
Beijing	Mirror Mansion	Shijingshan District	100	Residential/ Commercial	96,638	186,590	Under construction
Tianjin	Nankai Reflection	Nankai District	100	Residential	29,608	69,800	Under construction
Tianjin	City in Park	Jinnan District	100	Residential/ Commercial	2,732,280	3,274,001	Under construction
Tianjin	Mirrors of Time	Hexi District	100	Residential/ Commercial	74,119	199,833	Under construction
Tianjin	Nankai Philosopher	Nankai District	100	Residential/ Commercial	56,235	179,665	Under construction
Tianjin	China Overseas City Plaza Phase III	Hedong District	51	Residential/ Commercial	77,684	746,573	Under construction
Shijiazhuang	Main Peak	Yuhua District	100	Residential	53,970	148,780	Under construction
Dalian	Harbour City	Zhongshan District	80	Residential/ Commercial	229,050	1,558,144	Under construction
Changchun	Lake Mansion	Changchun Luyuan District	100	Residential/ Commercial	199,114	522,834	Under construction
Hong Kong	Grand Mayfair I/ Grand Mayfair II	Kam Tin South	33.3	Residential	41,687	114,896	Under construction
Hong Kong	The Knightsbridge	Kai Tak District	18	Residential/ Commercial	9,765	107,760	Under construction
Hong Kong	KT Marina	Kai Tak District	20	Residential	16,385	142,217	Under construction
Hong Kong	Twin Victoria	Kai Tak District	50	Residential	5,548	45,274	Under construction
Hong Kong	New Kowloon Inland Lot No. 6554	Kai Tak District	30	Residential	18,353	157,976	Under construction
Hong Kong	New Kowloon Inland Lot No. 6576	Kai Tak District	30	Residential	9,583	67,081	Under construction
Hong Kong	New Kowloon Inland Lot No. 6590	Kai Tak District	20	Residential	13,499	138,278	Under construction

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS

Under the severe operating environment, the Group's commercial property operations leveraged their outstanding full-cycle asset operation and management capabilities and well-targeted commercial operation strategies. Through the establishment of urban-scale benchmark projects and the scientifically planned rollout of diverse products, the Group efficiently unleashed its commercial value and steadily improved its operating quality and efficiency.

During the year, the Group's commercial property revenue increased by 12.1% to RMB7.13 billion. Of this, revenue from office buildings was RMB3.57 billion, revenue from shopping malls was RMB2.26 billion, revenue from long-term leased apartments was RMB0.27 billion, and revenue from hotels and other commercial properties was RMB1.03 billion.

During the year, nine commercial properties of the Group commenced operation, adding additional GFA of approximately 300,000 sq m. Details are listed below:

Name of property	Type	City	Total GFA *('000 sq m)*
China Overseas Building	Office Building	Suzhou	76
China Overseas Tianjin Economic-Technological Development Area (TEDA) Logistics Park	Office Building	Tianjin	58
Tianfu Unielite Phase 1	Shopping Mall	Chengdu	13
Unilive Apartment (Shenzhen Baolong)	Long-term Leased Apartment	Shenzhen	55
Unilive Apartment (Shenzhen Hongshan)	Long-term Leased Apartment	Shenzhen	32
Unilive Apartment (Shenzhen Guangmingcheng)	Long-term Leased Apartment	Shenzhen	30
Unilive Apartment (Shenzhen North Station)	Long-term Leased Apartment	Shenzhen	19
Unilive Apartment (Nanjing Jiangning)	Long-term Leased Apartment	Nanjing	10
Unilive Apartment (Nanjing Xianlin)	Long-term Leased Apartment	Nanjing	8
Total			**301**

The Group's asset-light management business continues to expand. During the year, the newly acquired large cultural and tourism commercial management project in Xiaomeisha, Shenzhen, will be developed into a national cultural and tourism benchmark project that embodies both commercial value and social significance. At 31 December 2024, the Group had cumulatively acquired a total of 18 external asset-light management projects, and successfully launched these projects in the core areas of higher-tier cities such as Beijing, Guangzhou, Shenzhen, Chengdu, Suzhou and Foshan.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS *(continued)*

At 31 December 2024, the total GFA of commercial properties held by the Group Series of Companies (excluding COGO) had reached 10.12 million sq m. Of this, the total GFA of commercial property in operation was 7.58 million sq m, with 98% located in the core area of first- and second-tier cities.

Type	Commercial properties in operation		Commercial properties under development/to be developed		Total	
	Number	Total GFA *('000 sq m)*	Number	Total GFA *('000 sq m)*	Number	Total GFA *('000 sq m)*
Office Building	58	3,830	12	1,420	70	5,250
Shopping Mall	27	2,620	8	800	35	3,420
Long-term Leased Apartment	24	520	4	190	28	710
Hotel	14	610	5	130	19	740
Total	**123**	**7,580**	**29**	**2,540**	**152**	**10,120**

Office Buildings

In 2024, during the market downturn, the Group's office buildings business, by leveraging its professional capabilities in commercial property asset management, its customer resources and comprehensive channels accumulated over the years, as well as its flexible leasing strategies, signed leases for a cumulative total GFA of 910,000 sq m for office building. Continuous refinement of professional asset management standards and systems for commercial property, as well as the maintenance of sincerity and mutual trust with customers, the Group's office buildings delivered a lease renewal rate of 69% during the year. The occupancy rate of mature projects that have been on the market for more than three years stabilised at a high level of 81%, supporting the Group's stable and sustainable operation. At 31 December 2024, the tenant composition included 43 newly introduced Fortune 500 enterprises, further enhancing the competitive advantage of the Group's office business through a high-quality tenant structure.

The Group's office buildings business continued to lead in brand value. For 60 consecutive months, the Group was ranked first on China's commercial office operators' development index by Guandian Index Institute, was listed as the top benchmark enterprise in the China's office operations in 2024, and achieved a Top 3 ranking among China's benchmark co-working space operators, with the latter two organised by China Index Academy. During the year, Shanghai China Overseas Center, drawing on the influence of the COOC China Overseas Business brand and continuing to promote integration and innovation in office ecosystems, was awarded the "Guandian Performance Index — Top 10 Commercial Asset Operational Performance 2024" and the "Best Architecture Award — Gold Medal" at the Global Business Engine (GBE) Architectural Forum's GBE Commercial and Office Building Awards 2024.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS *(continued)*

Shopping Malls

In 2024, the differentiation of household consumption intensified, commodity retail sales, especially in high-end goods, weakened under pressure, while service consumption maintained steady growth, with consumers increasing more emphasis on the value of their consumption. The Group's shopping mall business continued to grow rapidly by leveraging its efficient management and refined operational capabilities to accurately grasp changes in consumption trends, create distinctive spaces and diverse consumption scenarios. Overall occupancy reached a high level of 95%. Sales and customer flow rose by 30% and 24% respectively, including rises in same-store sales and customer flow of 8% and 10% respectively, driving rental income up by 34.6% year-on-year to RMB2.26 billion.

Zhenru Unipark MAX in Shanghai was an urban rejuvenation project in Shanghai's Hongqi Village, which was developed under a government-enterprise partnership model. It was grandly opened at the end of 2023. Since its opening, the project has maintained innovation and quality as its core, and is committed to creating a textured, dynamic, comfortable and stylish living environment. During the year, Zhenru Unipark MAX in Shanghai received the "2024 China Real Estate Commercial Management "International Consumption" Benchmarking Project (Enterprise) Award" from CRIC, which is a significant affirmation of the Group's ability in large-scale urban renewal projects.

During the year, Chancheng West Unipark in Foshan, an asset-light project, had its grand opening and delivered great quality. Relying on advantages of proximity to two subway lines and operational capabilities, it has created "Foshan All-age Family Center", "Foshan West High-end Banquet Center", and "Chancheng West Youth Entertainment Center", creating a new landmark in the city.

The Group's shopping mall business continued to develop and innovate, always delivering fresh experiences to consumers. Characterised by product labels such as "Trendy and Fun Gathering" at Unipark, "Pioneer Experience" at Unielite, and "Tastes of Life" at Unifun, the Group helped augment and revitalise urban living, while strengthening its influence in the industry. During the year, the Group was honoured in the "Golden Mall List of Excellent Commercial Management 2024" by Mall China.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTY OPERATIONS *(continued)*

Long-term Leased Apartments

The Group's long-term leased apartments continued to fulfill its corporate social responsibility obligations by prioritising quality, and focusing on customers' needs. The Group adhered to both quantity and quality to assure long-term quality leases and sustainable value creation. In 2024, the Group's long-term leased apartment business achieved revenue of RMB0.27 billion, an increase of 39.5% as compared to the previous year. During the year, the Group's long-term leased apartments launched the "Corporate Premium Plan", a one-stop rental solution for corporate employees, providing a series of high-quality featured services such as "Customised Product Services" and "Exclusive Butler Services" to premium enterprises. In 2024, the Group's long-term leased apartments began in-depth cooperation with several Fortune 500 companies, large state-owned enterprises and prominent private companies to holistically help corporate employees to solve their medium- and long-term accommodation problems, and to create a safe, comfortable, healthy and enjoyable rental lifestyle for urban professionals. Corporate customers accounted for 30% of the total. During the year, six long-term leased apartment projects in higher-tier cities including Shenzhen and Nanjing were successively launched.

The Group's long-term leased apartments have won a number of awards in China's housing rental industry. With over 80% of its projects certified as green buildings nationwide, the Group has continued to fulfill the responsibilities of a state-owned enterprise and set benchmarks for green living, and was honoured as a "Leading ESG Brand in China Rental Apartment Industry" by the Industry Council for China Rental Apartment (ICCRA). Meanwhile, in the field of corporate asset management, the Group's long-term leased apartments business has been recognised as a "Leading Brand in Asset Management" by ICCRA for its exemplary benchmarking influence through its product strength, asset management capabilities, service quality and spatial value.

At 31 December 2024, the Group's long-leased apartments were located in 11 major cities across the country, with 24 projects in operation and an occupancy rate of 94% for projects in operation for more than six months.

Hotels

The Group's star-rated hotels support high-end business and leisure travellers in various cities with boutique guest rooms, dining and leisure facilities and services, creating a hotel brand with China Overseas characteristics. At 31 December 2024, there were 14 star-rated hotels in operation, located in Macau, Beijing, Shenzhen, Zhuhai, Hainan and Foshan and other cities. During the year, the Group achieved revenue of RMB1.03 billion.

During the year, the Group's hotels received multiple prestigious industry awards; Grand Hyatt Shenzhou Peninsula won "Best Tourism Destination Hotel Award" at the GBE Hotel Design Awards 2024, China Overseas COLI Hotel Shenzhen was awarded "Green and Low-Carbon Pioneer" and "Best Theme Hotel" by Shenzhen Hotel Association. Renaissance Zhuhai Hotel was recognised as the "Premium Selected City Landmark Hotel of the Year" at the 7th Premium Travel Selection of the Year.

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS *(continued)*

MAJOR COMPLETED COMMERCIAL PROPERTIES

	Name of property and location	Type	Group's interests *(%)*	City	Year of expiry of lease term	Total GFA *(sq m)*
(a)	Jin'an China Overseas Fortune Center Tower A, B & C Jin'an Unielite Area B and C of Renovation of North Xin'an Shanty Town, Shijingshan District, Beijing	Office Building and Shopping Mall	100	Beijing	2067	226,440
(b)	China Overseas Plaza Jianwai Unielite Jianguomenwai Avenue, Chaoyang District, Beijing	Office Building and Shopping Mall	100	Beijing	2053	145,065
(c)	China Overseas International Center of Aonan Community Anzhen Unielite Aonan No. 4 Parcel at Intersection of Anding Road and Beitucheng East Road, Beijing	Office Building and Shopping Mall	100	Beijing	2060 2050	127,824
(d)	China Overseas Property Plaza West Bin He Road, Yong Ding Men, Dongcheng District, Beijing	Office Building and Commercial	100	Beijing	2043	88,943
(e)	China Overseas Building Blocks C & D Lao Gu Cheng Village JA Parcel, Shijingshan District, Beijing	Office Building and Commercial	100	Beijing	2055	62,047
(f)	China Overseas Building Lao Gu Cheng Village JB Parcel, Shijingshan District, Beijing	Office Building and Commercial	100	Beijing	2053	46,950
(g)	China Overseas Property Building No. 96 Taipingqiao Avenue, Xicheng District, Beijing	Office Building	100	Beijing	2051	24,668
(h)	China Overseas International Center Unielite Intersection of East Jianguo Road and Huangpi South Road, Huangpu District, Shanghai	Office Building and Shopping Mall	100	Shanghai	2056 2046	158,930
(i)	China Overseas Center Block A No. 2, Lane 699, Tongchuan Road, Putuo District, Shanghai	Office Building	70	Shanghai	2060	140,917
(j)	China Fortune Tower No. 1568–1588, Century Avenue, Pudong New District, Shanghai	Office Building and Commercial	51	Shanghai	2054	95,622
(k)	China Overseas Plaza No. 57 Wujiayao Street, Hexi District, Tianjin	Office Building and Commercial	100	Tianjin	2053	99,271

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS *(continued)*

MAJOR COMPLETED COMMERCIAL PROPERTIES *(continued)*

	Name of property and location	Type	Group's interests *(%)*	City	Year of expiry of lease term	Total GFA *(sq m)*
(l)	China Overseas Building Intersection of Dongting Road and Heiniucheng Road, Hexi District, Tianjin	Office Building	100	Tianjin	2055	95,516
(m)	China Overseas Fortune Center Dongting Road, Hexi District, Tianjin	Office Building	100	Tianjin	2055	74,174
(n)	China Overseas International Center Phase One to Three Jiaozi Unielite No. 199 Jincheng Road, Gaoxin District, Chengdu	Office Building and Shopping Mall	100	Chengdu	2047	377,959
(o)	China Overseas Building Tianxin Unipark No. 111 Zhongyi Two Road, Tianxin District, Changsha	Office Building and Shopping Mall	100	Changsha	2046	203,428
(p)	China Overseas Plaza Unilive Apartment (Shenyang Heping International) Heping Unipark No. 372, No. 368 and No. 368A Nanjing South Street, Heping District, Shenyang	Office Building, Shopping Mall and Long-term Leased Apartment	100	Shenyang	2054 2054 2084	302,933
(q)	China Overseas Center No. 278 Qingnian Road, Jianghan District, Wuhan	Office Building and Commercial	100	Wuhan	2057	116,442
(r)	China Overseas Building Gulou Unipark No. 39 Qingliangmen Street, Gulou District, Nanjing	Office Building and Shopping Mall	100	Nanjing	2048	167,517
(s)	China Overseas Plaza Tower A and Tower B Meijiatang, Rehenan Road, Gulou District, Nanjing	Office Building and Commercial	100	Nanjing	2057	151,590
(t)	China Overseas International Center Qianshan Unipark Qianhe North Road, Xiangzhou District, Zhuhai	Office Building and Shopping Mall	90	Zhuhai	2058 2048	261,213
(u)	China Overseas Building Midtown Bai Shi Road, Xiangzhou District, Zhuhai	Office Building and Shopping Mall	100	Zhuhai	2060 2050	201,482
(v)	China Overseas Fortune Center No. 9 Suzhou Avenue West, Suzhou Industrial Park, Suzhou	Office Building and Commercial	100	Suzhou	2050	171,672

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS *(continued)*

MAJOR COMPLETED COMMERCIAL PROPERTIES *(continued)*

	Name of property and location	Type	Group's interests *(%)*	City	Year of expiry of lease term	Total GFA *(sq m)*
(w)	One South Place (The Helicon) 1 South Place, London, U.K.	Office Building	100	London	Freehold	21,150
(x)	One Finsbury Circus One Finsbury Circus, London, U.K.	Office Building	100	London	Freehold	19,260
(y)	61 Aldwych 61 Aldwych, London, U.K.	Office Building	100	London	Freehold	16,482
(z)	Carmelite House 50 Victoria Embankment, Carmelite House, London, U.K.	Office Building	100	London	Freehold	12,447
(aa)	Yinghai Unifun Southwest of the intersection of Jingfu Road and Ying'an Street, Daxing District, Beijing	Shopping Mall	100	Beijing	2059	92,254
(ab)	Zhenru Unipark MAX Tongchuan Road, Putuo District, Shanghai	Shopping Mall	70	Shanghai	2060	186,640
(ac)	Meijiang Unipark Intersection of Jiefang South Road and Lushui Road, Hexi District, Tianjin	Shopping Mall	100	Tianjin	2060	161,346
(ad)	Tianfu Unielite Phase 1 Ascott Qinghuang Chengdu Unilive Apartment (Tianfu International) Qinhuangsi Business District, Tianfu New District, Chengdu	Shopping Mall, Hotel and Long-term Leased Apartment	100	Chengdu	2058	102,115
(ae)	Yinzhou Unipark 689 Jiangdong South Road, Yinzhou District, Ningbo	Shopping Mall	100	Ningbo	2056	135,757
(af)	Qiandeng Lake Unipark No. 18 Guilanzhong Road, Nanhai District, Foshan	Shopping Mall	100	Foshan	2052	130,896
(ag)	Huashanxi Unipark The COLI Hotel Unilive Apartment (Huashan International) No. 1688 and No.1710 Jiangjun Road, Licheng District, Jinan	Shopping Mall, Hotel and Long-term Leased Apartment	100	Jinan	2056	242,353
(ah)	The COLI Hotel No. 168 Dayun Road, Longgang District, Shenzhen	Hotel	100	Shenzhen	2057	84,792

Management Discussion and Analysis (continued)

COMMERCIAL PROPERTIES OPERATIONS *(continued)*

MAJOR COMPLETED COMMERCIAL PROPERTIES *(continued)*

	Name of property and location	Type	Group's interests *(%)*	City	Year of expiry of lease term	Total GFA *(sq m)*
(ai)	Grand Hyatt Shenzhou Peninsula Shenzhou Peninsula Tourism Resort, Binhai Avenue, Dongao Town, Wanning	Hotel	80	Wanning	2059	79,350
(aj)	Kimpton Bamboo Grove No. 168 Zhuhui Road, Gusu District, Suzhou	Hotel	100	Suzhou	2045	28,584
(ak)	Unilive Apartment (Beijing Fangshan Store) About 90 meters away from the northeast of Xicheng International, Changhong West Road, Fangshan District, Beijing	Long-term Leased Apartment	100	Beijing	2057	29,188
(al)	Unilive International Serviced-residence No. 3–5, Lane 99, Jingning Road, Putuo District, Shanghai	Long-term Leased Apartment	70	Shanghai	2070	38,731

MAJOR COMMERCIAL PROPERTIES UNDER CONSTRUCTION

	Name of property and location	Type	Group's interest *(%)*	City	Estimated year of completion	Year of expiry of lease term	Total GFA *(sq m)*
(a)	Shanghai Xuhui Project Longhua Street, Xuhui District, Shanghai	Office Building, Shopping Mall and Long-term Leased Apartment	85	Shanghai	2028	2074 2064 2094	536,306
(b)	City Square East Haihe Road, Hedong District, Tianjin	Office Building	51	Tianjin	2026	2066	238,654
(c)	Qinhuangsi No. 1 Site Project Xinglong Street, Tianfu New District, Chengdu	Office Building, Shopping Mall and Hotel	100	Chengdu	2027	2058	555,500
(d)	Shenzhen Bay Super headquarters Project Southwest of the intersection of Baishi Road and Shenwan Road, Shahe Street, Nanshan District, Shenzhen	Shopping Mall and Long-term Leased Apartment	100	Shenzhen	2027	2093	83,200

OTHER OPERATIONS

Material Procurement and Supply Chain Management Services

Shenzhen Lingchao Supply Chain Management Co., Ltd ("Lingchao Supply Chain"), a subsidiary of the Group, integrates resources from upstream and downstream in the industrial chain, consolidating product quality, service capabilities, control standards, transaction data and financing capabilities to provide one-stop building materials supply solutions for governmental institutions, real estate enterprises, construction/renovation units and other enterprises. This creates a win-win ecological platform for the building materials industry, that reduces costs, improves efficiency, enhances professionalism, and empowers both supply and demand sides for mutual benefit.

During the year, Lingchao Supply Chain was awarded a number of industry accolades, including "Benchmark Case" in the China Academy of Information and Communications Technology's "2024 Report on the Digital Transformation Development of Central State-Owned Enterprises" and "Outstanding Case of Supply Chain Management Innovation for Central State-Owned Real Estate Development Enterprises" by the China Real Estate Industry Association. Lingchao Supply Chain achieved external revenue of RMB2.69 billion, an increase of 3.9% compared to the previous year.

Construction and Building Design Services

Hua Yi, a subsidiary of the Group, has established a strong reputation in the industry for its excellent project design services. During the year, Hua Yi undertook more than 468 design projects. Among them, "CSCEC Jiahe Center" designed by Hua Yi, was the gold winner of the "Architectural Design — Office Building" award category at the London Design Awards 2024, while the "Jiangwu Village Phase II Urban Renewal Unit Project" and "Next Town No. 1 Garden Project" each won an "Architectural Design — Residential" silver award at the same event. China Overseas Building in Shenzhen and Shenzhen Longhua Cultural and Creative Exchange Center designed by Hua Yi were respectively awarded New Sustainable Cities and Human Settlements Awards (SCAHSA) and the first prize (project design) of the 5th Active House Award China Architectural Design Competition 2024.

During the year, Hua Yi undertook design of the renovation scheme for the Zero Carbon Park Renewal and Renovation Project of the China Academy of Building Research in Guizhou, integrated 60 low-carbon technologies, tailored the renovation scheme to the characteristics of each building. This successfully achieved the goal of zero energy consumption or near-zero energy consumption of every single building unit, and was awarded the first "Zero Carbon Park" design certification in Guizhou, showing innovative practice in the field of green and low-carbon buildings. In addition, Hua Yi jointly led the preparation of the first local design standard for "industry going upstairs", "General Rules for Design of Industrial Upstairs Buildings", which was approved and released by the Housing and Construction Bureau of Shenzhen Municipality. The standard aims to improve utilisation efficiency of industrial land and resource allocation, to provide high-quality industrial spaces, optimise workspace productivity layout, promote industrial integration, and accelerate the promotion of new types of industrialisation and high-quality construction.

During the year, Hua Yi was recognised as a "Science and Technology Innovation Enterprise of the Civil Engineering and Architectural Society of Shenzhen", a "Top 10 Planning and Design Enterprises in 15 Years of Shenzhen Green Building Association" and a "Top 10 Supplier of the 12th China Hospital Construction Conference of CHCC2024".

Management Discussion and Analysis (continued)

OTHER OPERATIONS *(continued)*

Senior Living and Elderly Care Business

Adhering to the philosophy of "People-oriented, Service-first", the Group has developed a new Chinese-style senior living model, and established the China Overseas "Jinnian" elderly care brand, which is dedicated to providing high-quality and comprehensive services for senior living and elderly care.

The Group's senior living and elderly care business focuses on two core competencies, namely, the "Comprehensive Asset Management System for Senior Living and Elderly Care" and "Space and Service Capability Based on the Health Management of Customers Aged 55 Years Old and Above". At the Boao Real Estate Forum 2024, the Group were awarded the title of "2024 Influential Comprehensive Enterprise of the Senior Living and Elderly Care Industry". Jinnian in Jinan was honoured with the title of Jinan City 2024 Smart Senior Living Home, while Jinnian in Tianjin received recognition as the Tianjin 2024 People's Project Senior Living Service Unit and the Pilot Unit of Standardised Construction of Fire Safety Management, and Jinnian in Wuxi was awarded the Advanced Unit of Wuxi Factory Affairs Openness and Democratic Management.

In terms of asset-light management services, leveraging years of experience in the operation of senior living and elderly care projects and asset management, and supported by the two pillars of "China Overseas Join Forces+" and the "China Overseas Recreation and Residence Club EPCO Alliance", the Group has completed feasibility studies, product planning consultations, and other asset-light advisory services, as well as thematic training for senior living and elderly care projects at various enterprises.

Management Discussion and Analysis (continued)

GROUP FINANCE

Liquidity, Financial Resources and Debt Structure

The Group adheres to the principle of prudent financial fund management, without breaching any of the "Three Red Lines", and maintained its status as a "green category" enterprise. The Group continues to lead the industry by all indicators. At 31 December 2024, the Group's net current assets were RMB373.95 billion, current ratio was 2.4 times, net gearing was 29.2%; and bank deposits and cash were RMB124.17 billion, accounting for 13.7% of the total assets, with industry-leading liquidity. During the year, the Group's interest expenses decreased by RMB0.93 billion, average borrowing cost was 3.1%, among the lowest in the industry.

During the year, S&P Global upgraded the Group's credit rating to A–/Stable from BBB+/Stable, marking the Group as the only listed Chinese property developer rated A– by S&P Global. With this upgrade, the Group maintained its consistent leading position in China's real estate industry in terms of its credit ratings across the three major international rating agencies.

The Group's interest coverage ratio was 2.8 times and was calculated as follows:

	2024 (RMB billion)	2023 (RMB billion)
Operating profits	**26.69**	40.53
Deducting: Total interest income	**1.60**	2.46
	25.09	38.07
Interest expenses*	**9.04**	9.79
Interest coverage ratio (times)	**2.8**	3.9

* *Before capitalisation and excluding interest on amounts due to joint ventures and non-controlling shareholders.*

At 31 December 2024, the Group had bank and other borrowings amounting to RMB166.15 billion while guaranteed notes and corporate bonds amounted to RMB75.41 billion. Total debt amounted to RMB241.56 billion, of which RMB28.59 billion will mature within one year, accounting for 11.8% of total debt. Of the total debt, 82.3% was denominated in renminbi ("RMB"), 6.4% was denominated in Hong Kong dollars, and 11.3% was denominated in US dollars. The fixed-rate debt accounted for 46.3% of total debt while the remainder was floating-rate debt. The bank and other borrowings, guaranteed notes and corporate bonds due to mature in the first half of 2025 was RMB15.45 billion.

Management Discussion and Analysis (continued)

GROUP FINANCE *(continued)*

Liquidity, Financial Resources and Debt Structure *(continued)*

The Group continued to leverage the advantages of onshore and offshore dual financing platforms, and actively responded to the impact of fluctuations in interest rates and exchange rates in the international capital markets, flexibly using multiple tools to rationalise its financing arrangements. Against the backdrop of China's continued interest rate cuts and the Federal Reserve initiating a rate-cutting cycle, in 2024, the Group raised onshore and offshore funds amounting to RMB86.46 billion, and RMB104.01 billion of debt was repaid early or on schedule, with a total net debt repayment of RMB17.55 billion. The Group's overall interest-bearing debt continued to decline throughout the year. The Group continued to optimise its debt structure, including the drawdown of a total of RMB 26.13 billion of offshore loans, and the early repayment of a club loan of HK$12.11 billion, which is due in November 2027. The Group obtained various low-interest onshore loans totalling RMB 51.33 billion, comprising development loans, operating loans and others. It also successfully issued three tranches of low-interest bonds totaling RMB9 billion. The proportion of RMB debt had increased to 82.3%.

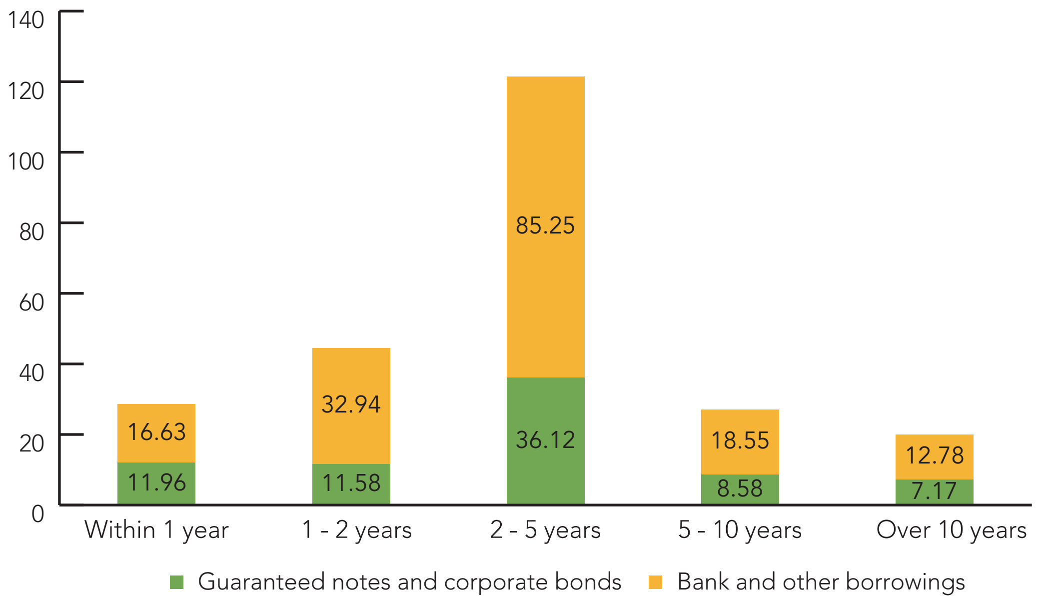
During the year, the Group's sales proceeds collection was RMB221.93 billion and other operating cash collection was RMB14.7 billion. Total operating cash collection amounted to RMB236.63 billion, an increase of 2.1% as compared to the previous year. Total capital expenditure payments for the Group were RMB147.62 billion. Of which, RMB95.41 billion was for land costs and RMB52.21 billion was for construction expenditure. The Group's operating net cash inflow was RMB46.45 billion. At 31 December 2024, the Group had unpaid land premiums of RMB33.54 billion.

Management Discussion and Analysis (continued)

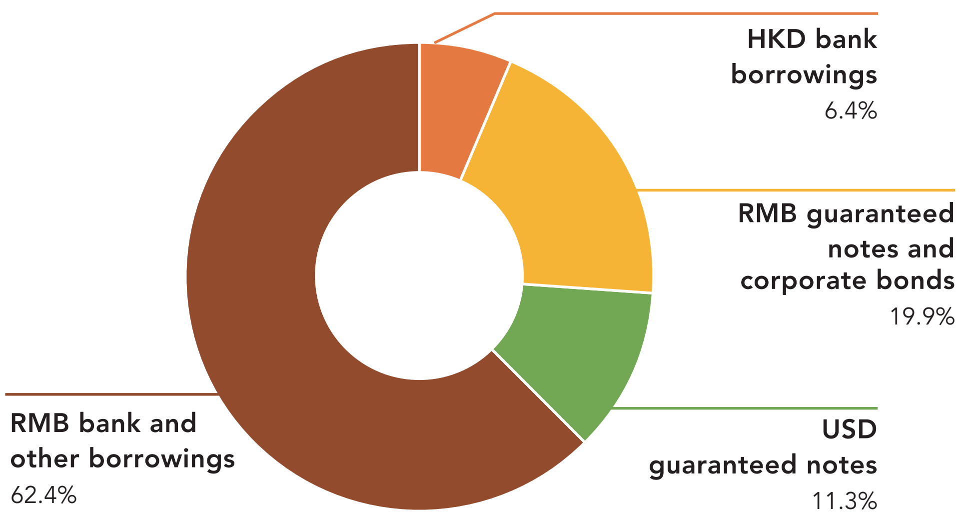
GROUP FINANCE *(continued)*

INTEREST-BEARING DEBT MATURITY PROFILE AT 31 DECEMBER 2024

RMB billion



INTEREST-BEARING DEBT BY CURRENCY AT 31 DECEMBER 2024



Management Discussion and Analysis (continued)

GROUP FINANCE *(continued)*

Repayment schedule	**2024 (RMB billion)**	2023 (RMB billion)
Bank and other borrowings		
Within one year	**16.63**	21.16
More than one year, but not exceeding two years	**32.94**	27.04
More than two years, but not exceeding five years	**85.25**	83.66
More than five years	**31.33**	33.44
Total bank and other borrowings	**166.15**	165.30
Guaranteed notes and corporate bonds		
30-year (US$300 million, due November 2042)	**2.15**	2.09
30-year (US$500 million, due October 2043)	**3.58**	3.49
10-year (US$450 million, due May 2024)	–	3.17
10-year (US$250 million, due May 2024)	–	1.76
20-year (US$500 million, due June 2034)	**3.58**	3.49
10-year (RMB6.0 billion, due August 2026) (ii)	**1.90**	1.90
10-year (US$750 million, due April 2028)	**5.43**	5.29
7-year (RMB1.5 billion, due January 2026) (ii)	–	1.50
5.5-year (HK$2.0 billion, due January 2025)	–	1.81
10-year (US$450 million, due July 2029)	**3.26**	3.19
10-year (US$294 million, due November 2029)	**2.13**	2.08
5-year (US$300 million, due March 2025)	**2.16**	2.12
10-year (US$500 million, due March 2030)	**3.59**	3.51
15-year (US$200 million, due March 2035)	**1.44**	1.41
3-year (RMB1.5 billion due January 2024)	–	1.50
18-year (RMB1.001 billion due March 2039) (i)	–	1.00
3-year (RMB2.0 billion due June 2024)	–	2.00
5-year (RMB1.0 billion due June 2026)	**1.00**	1.00
18-year (RMB2.101 billion due June 2039) (i)	–	2.00
4-year (RMB2.0 billion due July 2025) (i)	–	2.00
7-year (RMB1.5 billion due August 2028) (ii)	**1.50**	1.50
18-year (RMB1.901 billion due November 2039) (i)	–	1.88
3-year (RMB1.7 billion due November 2024)	–	1.70
5-year (RMB1.2 billion due November 2026)	**1.20**	1.20
3-year (RMB1.3 billion due December 2024)	–	1.30
5-year (RMB800 million due December 2026)	**0.80**	0.80
3-year (RMB1.8 billion due January 2025)	**1.80**	1.80
5-year (RMB1.2 billion due January 2027)	**1.20**	1.20
5-year (RMB1.0 billion due February 2027)	**1.00**	1.00
18-year (RMB5.001 billion due March 2040) (i)	–	4.98
3-year (RMB2.0 billion due April 2025)	**2.00**	2.00

Management Discussion and Analysis (continued)

GROUP FINANCE *(continued)*

Repayment schedule	**2024 (RMB billion)**	2023 (RMB billion)
5-year (RMB1.0 billion due April 2027)	**1.00**	1.00
3-year (RMB1.5 billion due May 2025)	**1.50**	1.50
5-year (RMB1.5 billion due May 2027)	**1.50**	1.50
3-year (RMB2.0 billion due May 2025)	**2.00**	2.00
5-year (RMB1.0 billion due May 2027)	**1.00**	1.00
5-year (RMB2.0 billion due July 2027)	**2.00**	2.00
3-year (RMB1.0 billion due September 2025)	**1.00**	1.00
5-year (RMB500 million due September 2027)	**0.50**	0.50
5-year (RMB1.0 billion due October 2027)	**1.00**	1.00
5-year (RMB2.0 billion due December 2027)	**2.00**	2.00
5-year (RMB1.0 billion due December 2027)	**1.00**	1.00
3-year (RMB1.5 billion due December 2025)	**1.50**	1.50
5-year (RMB1.5 billion due December 2027)	**1.50**	1.50
3-year (RMB3.19 billion due October 2026)	**3.19**	3.19
3-year (RMB2.0 billion due November 2026)	**2.00**	2.00
5-year (RMB1.0 billion due November 2028)	**1.00**	1.00
5-year (RMB3.0 billion due December 2028)	**3.00**	3.00
3-year (RMB1.5 billion due January 2027)	**1.50**	–
5-year (RMB1.5 billion due January 2029)	**1.50**	–
5-year (RMB3.0 billion due April 2029)	**3.00**	–
5-year (RMB1.6 billion due November 2029)	**1.60**	–
10-year (RMB1.4 billion due November 2034)	**1.40**	–
Total guaranteed notes and corporate bonds	**75.41**	92.36
Total debt	**241.56**	257.66
Deducting:		
Bank balances and cash	**124.17**	105.63
Net debt	**117.39**	152.03
Total Equity (including non-controlling interests)	**401.83**	392.91
Net gearing (%)	**29.2**	38.7

(i) *The guaranteed notes and corporate bonds with terms for interest rate adjustment and sell back option at the end of third year from interest commencement date*

(ii) *The guaranteed notes and corporate bonds with terms for interest rate adjustment and sell back option at the end of fifth year from interest commencement date*

At 31 December 2024, the Group's available funds amounted to RMB172.66 billion, comprising bank deposits and cash of RMB124.17 billion and unutilised banking facilities of RMB48.49 billion. Of the bank balances and cash, 98.3% was denominated in RMB, 1.2% was denominated in Hong Kong dollars, 0.3% was denominated in US dollars, 0.1% was denominated in pounds sterling and a small amount was denominated in other currencies, while the above bank deposits and cash also included regulated pre-sales proceeds of properties of RMB24.96 billion.

Management Discussion and Analysis (continued)

GROUP FINANCE *(continued)*

RISKS OF EXCHANGE RATE AND INTEREST RATE VOLATILITY

In 2024, China's economy was generally stable with steady progress, as the country continued to implement favourable macroeconomic policies that significantly boosted confidence in the economy. The Federal Reserve announced interest rate cuts in mid-September, which was followed by announcements of interest rate cuts from central banks in several countries and Hong Kong. However, the extent of these cuts were limited, and the US dollar index remained strong. During the year, the Group continued to scale down non-RMB net debt exposure, reduced foreign currency debt and increased RMB financing. At 31 December 2024, the proportion of RMB debt had increased to 82.3%, representing an increase of 12 percentage points as compared with the end of 2023. The Group's exchange rate management is mainly through natural hedging and it has not engaged in any speculative transactions in derivative financial instruments for the time being. However, the Group will prudently consider whether to enter into currency and interest rate swap arrangements when appropriate in order to hedge against the corresponding risks. The Board considers that the Group's exchange rate and interest rate risks are relatively controllable.

OTHERS

CONTINGENT LIABILITIES

At 31 December 2024, the Group provided guarantees amounting to RMB45.04 billion for the repayment of the mortgage bank loans granted to purchasers of the Group's properties. The Group had counter indemnities amounting to RMB1.72 billion for guarantees issued in respect of certain construction contracts undertaken by the Group.

In addition, as at 31 December 2024, the Group had provided guarantees to banks amounting to RMB31 million, RMB10.7 billion and RMB264 million in respect of credit facilities granted to and utilised by its associates, joint ventures and other entities respectively.

The Group has never incurred any losses in the past as a result of granting such guarantees.

CHARGE OF ASSETS

At 31 December 2024, certain of the Group's assets with carrying values of RMB138.66 billion have been pledged to secure its bank and other borrowings and guaranteed notes and corporate bonds.

MAJOR RISKS AND UNCERTAINTIES

The business and prospects of the Group mainly depend on the performance of the property market in the Chinese mainland, Hong Kong and Macau and are therefore affected by the risks associated with the property markets in the Chinese mainland, Hong Kong and Macau, including the economic situation, policy changes, exchange rate fluctuations, interest rate changes, adjustments of tax rules, and imbalances in supply and demand. In addition, the operation of the Group is also unavoidably affected by various industry-specific risk factors in property development, commercial property operations and other business. Also, misconduct from buyers, tenants, and strategic business partners or other related factors may, to various extents, negatively impact its operation. The Group has formulated risk prevention systems and policies and endeavours to avoid the occurrence of any unexpected financial loss, litigation or reputational damage. In future, the Group will continue to closely monitor changes in these risks and the environment. It will also pay attention to interest rate risk and foreign exchange risk and take timely measures to reduce any impact on its businesses. For more details of the principal risks faced by, and key control measures taken by the Group during the year, please refer to the "Risk Management and Internal Controls Report" in this annual report.


Nankai Philosopher, Tianjin

Directors and Senior Management

(As at 31 March 2025, date of this Annual Report)

From left to right:
Mr. GUO Guanghui, Mr. YAN Jianguo, Mr. ZHANG Zhichao

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

BOARD OF DIRECTORS

Executive Directors

Mr. YAN Jianguo
JP
Chairman and Executive Director

Aged 58, has been appointed as the Chairman and Executive Director of the Company since 2017 and concurrently acted as the Chief Executive Officer of the Company from 2017 to 2020. Mr. Yan holds a PhD degree in Management. He is currently the Chairman of China Overseas Holdings Limited (a substantial shareholder of the Company) and a Non-executive Director of China State Construction International Holdings Limited (listed in Hong Kong). He was the Chairman and Non-executive Director of China Overseas Property Holdings Limited (listed in Hong Kong) and China Overseas Grand Oceans Group Limited (listed in Hong Kong), and the Chairman of China State Construction International Holdings Limited (listed in Hong Kong). Mr. Yan has over 30 years' experience in construction business and real estate general management. He has been elected as a member of the 14th National Committee of the Chinese People's Political Consultative Conference in 2023.

Mr. ZHANG Zhichao
Executive Director and Chief Executive Officer

Aged 45, has been appointed as the Executive Director and Chief Executive Officer of the Company since February 2020. Mr. Zhang holds a bachelor's degree in Construction Engineering. He is currently a director of China Overseas Holdings Limited (a substantial shareholder of the Company) and a director of certain subsidiaries of the Group. Mr. Zhang has over 20 years' experience in property development and corporate management.

Mr. GUO Guanghui
Executive Director and Vice President

Aged 52, has been appointed as an Executive Director of the Company since June 2018. Mr. Guo holds a master's degree in Business Administration, and is a senior accountant and a non-practising member of The Chinese Institute of Certified Public Accountants. He is currently the Vice President of the Company and a director of certain subsidiaries of the Group. He was a Non-executive Director of China Overseas Grand Oceans Group Limited (listed in Hong Kong). Mr. Guo has over 30 years' management experience in corporate finance and accounting.

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

Non-Executive Directors

Mr. ZHUANG Yong
Vice Chairman and Non-Executive Director

Aged 48, has been appointed as a Non-executive Director and the Vice Chairman of the Company since February 2020. Mr. Zhuang holds a master's degree in Architecture and Civil Engineering. He is currently the Chairman and Executive Director of China Overseas Grand Oceans Group Limited (listed in Hong Kong) and a director of China Overseas Holdings Limited (a substantial shareholder of the Company). Mr. Zhuang has over 20 years' experience in corporate management.

Mr. MA Yao
Non-Executive Director

Aged 52, has been appointed as a Non-executive Director of the Company since January 2025. Mr. Ma currently serves as deputy general manager of Department of Strategy and Investment Management of CITIC Group Corporation. He obtained a bachelor's degree in automatic control from Xi'an Jiaotong University, a master's degree in monetary banking and a doctor's degree in international finance from the Graduate School of the People's Bank of China. Mr. Ma joined CITIC Securities Company Limited ("CITIC Securities") (listed in Hong Kong) in 1998 and previously served as the deputy general manager of the Risk Control Department, deputy general manager of the Bond Distribution and Trading Department, deputy general manager of the Trading Department, chief executive of the Capital Market Department, head of the Financial Industry Group, member of the Investment Banking Management Committee, head of the Investment Banking Management Committee, member of the Executive Committee of CITIC Securities, and director of CLSA Limited and CITIC Securities (Hong Kong) Limited.

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

Independent Non-Executive Directors

Mr. LI Man Bun, Brian David
BBS, JP, MA (Cantab), MBA, FCA
Independent Non-Executive Director,
Chairman of the Audit and Risk Management Committee,
Member of the Corporate Governance Committee,
Member of the Nomination Committee,
Member of the Remuneration Committee

Aged 50, joined the Board as an Independent Non-executive Director of the Company on 19 March 2013 and was appointed Chairman and Member of the Audit and Risk Management Committee, Member of the Nomination Committee and Member of the Remuneration Committee on the same day. He was appointed Member of the Corporate Governance Committee on 29 March 2021. Mr. Li is Co-Chief Executive of The Bank of East Asia, Limited ("BEA") (listed in Hong Kong), responsible for the overall management and control of BEA with a particular focus on its Chinese mainland and international businesses. Mr. Li joined BEA in 2002 and served as General Manager & Head of Wealth Management Division from 2004 to 2009. Mr. Li was subsequently appointed Deputy Chief Executive in 2009, Executive Director in 2014, and Co-Chief Executive of BEA in 2019.

Mr. Li is currently an Independent Non-executive Director of Towngas Smart Energy Company Limited (listed in Hong Kong) and Guangdong Investment Limited (listed in Hong Kong). He was an Independent Non-executive Director of Shenzhen Investment Holdings Bay Area Development Company Limited (listed in Hong Kong).

Mr. Li holds a number of public and honorary positions, including being a member of the National Committee of the Chinese People's Political Consultative Conference and a Vice Chairman of its Committee on Social and Legal Affairs, a Member of the Chief Executive's Council of Advisers of the Government of the Hong Kong Special Administrative Region, a Board Member of the Hong Kong-Shenzhen Innovation and Technology Park Limited, and a Member of the Disaster Relief Fund Advisory Committee.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is also a Member of the Hong Kong Academy of Finance, an Honorary Certified Banker of The Hong Kong Institute of Bankers and a Full Member of the Treasury Markets Association. Mr. Li holds an MBA degree from Stanford University and a BA degree from the University of Cambridge.

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

Professor Chan Ka Keung, Ceajer
GBS, JP
Independent Non-Executive Director,
Chairman of the Corporate Governance Committee,
Chairman of the Remuneration Committee,
Member of the Audit and Risk Management Committee,
Member of the Nomination Committee

Aged 68, joined the Board as an Independent Non-executive Director of the Company on 27 June 2020 and was appointed Chairman and Member of the Remuneration Committee, Member of the Audit and Risk Management Committee and Member of the Nomination Committee on the same day. He was appointed Chairman of the Corporate Governance Committee on 29 March 2021. Professor Chan is the chairman of WeLab Bank Limited and senior advisor of WeLab Holdings Limited, a leading fintech company in Asia with one of the first virtual banks established in Hong Kong. He was appointed as Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region from July 2007 to June 2017. Prior to that, he was Dean of Business and Management in the Hong Kong University of Science and Technology ("HKUST"). He is currently Adjunct Professor at HKUST Business School and received the Honorary Doctorate from HKUST in July 2020.

Professor Chan received his bachelor's degree in economics from Wesleyan University and his M.B.A. and Ph.D. in finance from the University of Chicago. Professor Chan specialised in assets pricing, evaluation of trading strategies and market efficiency and has published numerous articles on these topics.

Professor Chan previously held a number of public service positions including chairman of the Consumer Council, director of the Hong Kong Futures Exchange, and member of Competition Commission, the Commission on Strategic Development, Commission on Poverty, the Exchange Fund Advisory Committee, the Hang Seng Index Advisory Committee, the Hong Kong Council for Academic Accreditation and Non-executive Director of The Hong Kong Mortgage Corporation Limited.

In addition, Professor Chan is also an Independent Non-executive Director of Guotai Junan International Holdings Limited, Langham Hospitality Investments and Langham Hospitality Investments Limited, NWS Holdings Limited and Champion Real Estate Investment Trust, all of which are listed in Hong Kong. He is also an Independent Non-executive Director of Greater Bay Area Homeland Investments Limited. Professor Chan was an Independent Non-executive Director of USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited) and CMB International Capital Corporation Limited and a Non-executive Director of Trivium Holdings Limited and MTR Corporation Limited.

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

Dr. CHAN Ching Har, Eliza
GBS, JP, LL.D. (Hon)
Independent Non-Executive Director,
Chairman of the Nomination Committee,
Member of the Audit and Risk Management Committee,
Member of the Corporate Governance Committee,
Member of the Remuneration Committee

Aged 68, joined the Board as an Independent Non-executive Director of the Company on 29 June 2023 and was appointed Chairman and Member of the Nomination Committee, Member of the Audit and Risk Management Committee, Member of the Remuneration Committee and Member of the Corporate Governance Committee on the same day. Dr. Chan holds the qualifications of Barrister & Solicitor of British Columbia Supreme Court, Canada, Solicitor of the Supreme Court of England and Wales and Solicitor of the High Court of Hong Kong. Dr. Chan is a non-official member of the Executive Council of Hong Kong. She is also a member of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a standing member of the CPPCC Tianjin Committee, Foreign Economic Affairs Legal Counsel to the Tianjin Municipal People's Government, an arbitrator of China International Economic and Trade and Arbitration Commission (CIETAC) and a China-appointed Attesting Officer.

Dr. Chan previously served as a member of the Selection Committee for the selection of the First Chief Executive of Hong Kong SAR, and was a member of the Election Committee for the selections of the Chief Executive of Hong Kong SAR and the Hong Kong SAR delegates to the National People's Congress. She was Chairman of Hong Kong CPPCC (Provincial) Members Association and now serves as Permanent Honorary Chairman. Dr. Chan also held a number of Hong Kong Government appointed positions, notably as a member of the Hong Kong Hospital Authority, member of Hong Kong Public Service Commission, member of the Hong Kong Board of Education, member of Hong Kong Examinations and Assessment Authority, Chairman of Public Complaints Committee under Hong Kong Hospital Authority, Chairman of Kowloon Hospital, Chairman of Hong Kong Eye Hospital, Chairman of Tseung Kwan O Hospital, member of the Governing Committee of Queen Elizabeth Hospital, member of the Medical Council of Hong Kong, Chairman of Pensions Appeal Panel, member of Administration Appeals Board, adjudicator of Hong Kong Immigration Tribunal, member of Disciplinary Panel of Institute of Accountants, Council member of The University of Science & Technology and Board member of Hong Kong Science and Technology Park Corporation.

Dr. Chan is a senior consultant of Chan & Jamison LLP and senior advisor of Deloitte Touche Tohmatsu. She was an Independent Non-executive Director of Lansen Pharmaceutical Holdings Limited (listed in Hong Kong), China National Aviation Company Limited (formerly listed in Hong Kong), China Electronics Optics Valley Union Holding Company Limited (listed in Hong Kong) and Cathay International Holdings Limited (formerly listed in London) as well as a Non-executive Director of China Aerospace International Holdings Ltd (listed in Hong Kong) and Tianjin Development Holdings Limited (listed in Hong Kong). She is currently an Independent Non-executive Director of Bank of Communications (Hong Kong) Limited, China Taiping Life Insurance Co. Ltd., China Taiping Insurance (HK) Company Limited and Tong Ren Tang Technologies Co. Ltd. (listed in Hong Kong).

Directors and Senior Management (continued)

(As at 31 March 2025, date of this Annual Report)

SENIOR MANAGEMENT

Mr. XU Feng
Vice President
Aged 49, graduated from Zhejiang University, senior engineer. Mr. Xu joined the Group in 2004. He has about 27 years' management experience in human resources management and corporate management.

Mr. XU Wendong
Vice President
Aged 58, graduated from Harbin Institute of Civil Engineering and Architecture (now known as Harbin Institute of Technology), senior engineer, architect. Mr. Xu joined the Group in 2001. He has about 37 years' experience in architectural design and corporate management.

Mr. LIU Xianyong
Vice President
Aged 53, graduated from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology), senior economist. Mr. Liu joined the Group in 1995. He has about 30 years' experience in sales and marketing planning and corporate management.

Mr. LIU Huiming
Vice President
Aged 47, graduated from Tsinghua University and obtained a master degree of Science in Engineering from Tsinghua University, senior engineer. Mr. Liu joined the Group in 2003. He has about 22 years' experience in construction and corporate management.

Mr. WANG Linlin
Vice President
Aged 47, graduated from Shenyang Institute of Civil Engineering and Architecture and obtained a master degree of Management from Harbin Institute of Technology, senior engineer. Mr. Wang joined the Group in 2007. He has about 25 years' experience in human resources, commercial operations and corporate management.

Mr. LI Yingjun
Vice President
Aged 46, graduated from Southeast University and obtained a master degree of Management from Southeast University. Mr. Li joined the Group in 2003. He has about 22 years' experience in investment planning, sales and marketing planning and corporate management.

Mr. GUO Lei
Vice President
Aged 53, graduated from Shenyang Institute of Civil Engineering and Architecture and obtained a master degree of Management from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology) and a doctorate degree of Management from Harbin Institute of Technology, professor-level senior engineer. Mr. Guo joined the Group in 2003. He has about 32 years' experience in engineering, contract and corporate management.

Mr. LIU Changsheng
Vice President
Aged 47, graduated from Hunan Normal University and obtained a master degree of Management from Nanjing University. Mr. Liu joined the Group in 2004. He has about 21 years' experience in sales and marketing planning and corporate management.

Mr. CAO Wenyang
Vice President
Aged 43, graduated from Harbin Institute of Technology and obtained a master degree of Accounting from Harbin Institute of Technology and a master degree in financial control from University of Lille in France. Mr. Cao joined the Group in 2006. He has about 19 years' experience in audit and human resources management.

Mr. CHENG Xin
Assistant President
Aged 49, graduated from Southeast University and obtained a master degree of Business Administration from China Europe International Business School. Mr. Cheng joined the Group in 2017. He has about 29 years' experience in investment planning and corporate management.

Mr. FU Xiwei
Assistant President
Aged 46, graduated from Southeast University and obtained a master degree of Management from Southeast University. Mr. Fu joined the Group in 2004. He has about 21 years' experience in investment planning and corporate management.

Sustainable Development

Pursuing the strategic objective of "becoming an exceptional global property development corporation", the Group firmly adheres to its sustainability strategy of "Four Excellences" and provides its customers with "Good products and services", encourages our professional team to improve efficiency, pursues innovation and change, fulfils its corporate social responsibility of being a "Good Citizen" and achieves long-term and persistent "Good Effectiveness".

SUSTAINABILITY REPORT

During the year, the Group continued to strengthen disclosure transparency and credibility through its tenth independent Environmental, Social and Governance (ESG) report in compliance with the Code under Appendix C2 of the Hong Kong Stock Exchange, and the Global Reporting Initiative (GRI) Standards and with reference to Task Force on Climate-Related Financial Disclosures (TCFD), Standards of Sustainability Accounting Standards Board (SASB) and the United Nations' Guide for Business Action on the Sustainable Development Goals (SDGs). The Group invited a third-party verification organisation to conduct independent assurance for the Group's ESG Report, responding to the expectations of the capital market.

The Group has issued the "Responding to Climate Change White Paper"

In response to the worldwide concerns about the climate change issues, the Group has complied with the "Proposals on Task Force on Climate-related Financial Disclosures" (TCFD) to manage the climate change and disclose the relevant performances and outcome, as early as 2020. The Group has incorporated climate change risks into its risk management system, formulated and published the "Responding to Climate Change Policy", completed the climate scenario analysis, and identified the physical risks, transition risks and climate-related opportunities. At the beginning of 2025, the Group has issued the "Responding to Climate Change White Paper", formulating climate adaptation measures with four strategies, including mitigation, control, transfer and acceptance. Additionally, the Group has planned to comprehensively evaluate the feasibility and practical effectiveness of various climate adaptation measures from a financial perspective.

To strengthen the Board's involvement in all ESG-related matters, a Board-level Corporate Governance Committee has been established in 2021. The Corporate Governance Committee is responsible for identifying ESG risks, providing long-term direction and strategies on sustainability-related matters, as well as reviewing and monitoring management's execution of sustainability projects. To support the Corporate Governance Committee, we also established ESG Working Leadership Group, responsible for organising and leading the ESG Taskforces and overseeing the company-wide planning and achieving qualitative and quantitative sustainability targets.

The capital markets highly recognised the ESG management achievements of the Group. The Group has achieved comprehensive progress in its sustainable development ratings. The MSCI ESG rating has been elevated from BBB to A, fully demonstrating the Group's effective implementation of ESG enhancement strategies; the Hang Seng ESG Rating has been progressed from A to A+, with the Group being selected as a constituent of the Hang Seng Corporate Sustainability Index (Top 30 Hong Kong-listed companies with the best ESG performance), making it the only Chinese real estate company selected for the year. The Group also ranked number 1 among Chinese real estate companies in the S&P Global Corporate Sustainability Assessment, marking its debut in the S&P Global Sustainability Yearbook 2025 and standing as the sole Chinese real estate company chosen. In addition, the Group's Sustainalytics ESG Risk Rating score has been recognised as the best-performing Chinese real estate company and among the top 10% of global participating companies.

Sustainable Development (continued)

The Group marked its debut in the S&P Global Sustainability Yearbook 2025

Throughout the year, the Group won multiple representative awards, including the "Most Honoured Company", "Best Board of Directors" and "Best ESG" presented by the prestigious financial magazine Institutional Investor. In addition, the Group received authoritative accolades such as "ESG Leading Enterprise Award 2024" by Bloomberg Businessweek/Chinese Edition, "Award of Excellence in ESG" by the Chamber of Hong Kong Listed Companies, the "Directors of The Year Award" and "Climate Governance Award" by the Hong Kong Institute of Directors and more. The Group has been recognised as a "Valued Sustainable Blue Chip" for 21 consecutive years.

RELATIONSHIP WITH KEY STAKEHOLDERS

Inter-departmental communication and cooperation are essential to sustainability management. During the year, the ESG Working Leadership held meetings to review the implementation progress of the 2024 Sustainability Targets while systematically sorting out the sustainable development goals, managing the gap compared to corresponding regulatory and capital market requirements, conducting internal analysis, further integrating the company's business development with sustainable development strategies, as well as to review major sustainability issues and strategic framework for the Group.

DECARBONISATION TARGETS

The Group has been actively responding to China's "3060 Decarbonisation Targets" with the commitment to reducing at least 30% of Scope 1 and 2 carbon emissions intensity per unit area by 2030 (2019 baseline year), and striving to achieve carbon neutrality by 2060. To effectively promote the achievement of these decarbonisation targets, the Group has established "COLI Carbon Peak and Carbon Neutrality Working Leadership", and issued the inaugural Carbon Neutrality White Paper. Taking significant strides towards the dual carbon goals, the Group also set out effective programmes such as the Carbon Peak Implementation Plan to promote decarbonisation with practical actions.

GREEN BUILDING OPPORTUNITIES

During the year, the Group has been actively engaged in innovation and the development of new solutions for green and low carbon initiatives. The Group has leveraged the smart residence platform and launched the integrated "Good Houses" solution, focusing on "high performance + good experience". By utilising eco-friendly materials, advanced insulation facilities and cutting-edge energy technologies, the Group aims to establish a green, low-carbon and healthy living environment. As at the end of 2024, the Group has obtained a total of 110 green building patents; the Group's subsidiary, Shenzhen Haizhichuang Technology Co., Ltd was recognised as a "Little Giant" enterprise by the Ministry of Industry and Information Technology of the people's Republic of China for its specialisation and innovation. The Group's subsidiary Hua Yi was awarded "Advanced Enterprise in Science and Technology Innovation", which is a strong testament to its innovation capability.

The Group's model house, titled "Good House"

Sustainable Development (continued)

SUSTAINABLE BUILDINGS

Move with the times, the Group has published the Sustainable Development Policy and Environmental Policy. The Group is committed to integrating green, safety, health, and climate resilience in architectural design, construction, and operation. In order to meet and exceed requirements of environment-related regulations, the Group is dedicated to optimising and implementing internal construction standards of Technical Guidance for Green Building, which is compiled based on Chinese mainland's The Assessment Standard for Green Building as well as the evaluation criteria from the US LEED and WELL. The Group has also published the Low Carbon Office Technological Management Guideline 2024. Additionally, the Group actively promotes the certification of management systems. The Group and its subsidiary Lingchao Supply Chain Management Company Ltd., together with a commercial project of the Group have obtained ISO 14001 certification for environmental management systems.

In the realm of zero-carbon buildings, notable projects such as Shenzhen China Overseas Building, Beijing China Overseas Finance Centre and the kindergarten project of Arcadia Bay in Shenzhen have been included in China's first batch of zero-carbon building projects certified by the China Association of Building Energy Efficiency. These projects serve as benchmarks and exemplars for the industry's transition towards low-carbon practices. As at the end of 2024, the Group had added 37 green building standard projects, including 35 residential projects and 2 commercial projects. The Group had accumulated 673 green building certifications, including National Green Building Star Certifications, US LEED certification, US BOMA certification, US WELL certification and UK BREEAM certification, corresponding to an accumulative green GFA of over 110 million square meters.

The rooftop photovoltaic distribution plan of the kindergarten, Arcadia Bay, Shenzhen

SUPPLIER MANAGEMENT

The Group places great emphasis on sustainable supply chain management, and constantly optimises a series of supplier management systems, including the Supplier Code of Conduct, the Guidelines for Management of Central Procurement Suppliers, the Supplier Performance Scoring Process, to encourage suppliers to abide by the code of conduct in ten aspects including environmental protection, corporate ethics, and health and safety. In 2024, the Group has further improved its supplier monitoring mechanism to ensure that the comprehensive assessment coverage of strategic suppliers reaches 100%. For suppliers with significant actual or potential negative impacts on business, environment, or society, cooperation will be immediately terminated upon discovery of any issues. During the year, the Group terminated cooperation with two major suppliers due to significant potential negative impacts identified in the assessment.

SUSTAINABLE PROCUREMENT

The Group practices sustainable procurement by formulating and implementing the Sustainable Procurement Policy, incorporating sustainability considerations into every procurement decision, and promoting the use of sustainable materials. During the year, 69% of our group's suppliers adopted green standards for procurement. Additionally, the Group launched an initiative among all material suppliers, encouraging them to pursue green certification. In 2024, all 145 central procurement suppliers (100%) achieved ISO 14001 Environmental Management System certification.

Sustainable Development (continued)

SUSTAINABLE PROJECT OPERATION

The Group continues to promote low-carbon and environmentally-friendly operations for owned commercial properties, as well as to introduce low-carbon intelligent technology and use renewable energy equipment, to strengthen energy consumption management, waste management and separation and recycling. In 2024, a total of 67,613 tons of waste have been successfully sorted in 10 shopping malls of the Group. Additionally, the Group continues to encourage new office tenants to sign the COOC Green Lease Cooperation Plan and download the COOC Carbon Inclusion APP (中海商務碳普惠APP), encouraging tenants to engage in low-carbon practices through diverse carbon points redemption methods.

CUSTOMER SERVICE

The Group regards its customers as the driving force behind the Group's efforts in sustainable development and product innovation. The Group upholds the philosophy of providing full-cycle customer service from project positioning, design, construction, and sales to post-property occupation service; it continues to include customer satisfaction reviews in its performance appraisal, so as to constantly improve its products and services.

The Group continues to optimise the customer service platform "COLI Homes with Happiness" with the functions of apartment inspection, selection, purchase, contract signing, in-take, and residence, so as to improve the customer lifecycle experience in one stop. In 2024, the Group further strengthened its customer service management standards and upgraded its adherence to the "Ten Criteria for Good Customer Services 2.0", to ensure superior customer services, great living experience and wellness of customers. Besides, the Group actively fulfills its commitment to "Choose COLI with Confidence". Throughout the year, the Group delivered over 72,000 units of high-quality housing units, with a 100% on-time delivery rate, and was rated as 2024 Top 2 China Real Estate Enterprises with Excellent Delivery Capabilities by CRIC. The Group achieved customer overall satisfaction score of 90 in 2024.

EMPLOYEE DEVELOPMENT

A stable and efficient employee team is the key to a company's success. By taking employees' "talent" and "satisfaction" as two main foci, the Group continuously refines its performance appraisal and remuneration system, the working environment, and networking activities to enhance employees' satisfaction and sense of belonging. As of the end of 2024, the Group employed 3,322 full-time employees with male to female employee ratio of 2.5:1. Also, the Group employed a self-organised sales team of 1,751 people and 2,606 non-core production and service personnel. Employee satisfaction score reached 87, and employee engagement score reached 93. The Group was honoured with "Best Employer" by Zhaopin as well.

Adhering to the human resources strategy of Diversified and Inclusive Recruitment and Talent Retention and the talent concept of Gathering Hard-workers and Inspiring Talents, the Group has implemented a comprehensive performance management system, and measures the efforts and value creations of each employee in an open, fair and equitable manner. The Group continued to expand recruitment channels to select talents through three major recruitment brands, namely Sons of the Sea, Sea's Recruits and Stars of the Sea. Additionally, the Group's training mainly centred on improving systems, empowering business development and strengthening synergy. By the end of 2024, the average training hours for each employee were 97 hours, with training topics including workplace and personal capabilities, occupational health and safety and sustainable development.

The Group continued to recruit talents through Sons of the Sea

Sustainable Development (continued)

EMPLOYEE WELLNESS

The Group values employees' health and work-life balance. The Group continues to carry out the "521" health care plan for all employees, and provides health benefits such as supplementary medical insurance and annual physical examination. This year, the Group provided various health benefits such as sports health seminars, TCM physical therapy, women's health care and oral care, to strongly support employee health.

CARING FOR THE COMMUNITY AND MAKING CONTRIBUTIONS

The Group participated in the construction of indemnificatory housing and the renovation of shantytowns and took the initiative to be involved in livelihood protection projects. During the year, the Group completed the resettlement commercial housing project in Xiamen, which consists of resettlement commercial housing, community service buildings, supporting commercial buildings, underground parking spaces and underground passages, among which a total of 2,901 resettlement houses were constructed. Through collaborations with various sectors of society, the Group actively engaged in community development in Hong Kong, and launched the "Bidding Farewell to Subdivided Housing 2.0" campaign, helping Hong Kong citizens improve their living quality.

"Bidding Farewell to Subdivided Housing 2.0" campaign & HKCEA Home Renovating Alliance

The Group continued to participate in the national rural revitalisation initiative, co-founded the charity brand "Sea of Hope" with the designated counties and offered consistent industrial and consumption support through a self-sustainable and self-circular model. The Group successfully created seven characteristic agricultural products with millions of sales. During the year, the Group procured and assisted sales of over RMB3.28 million in three counties in Gansu Province, which increased the income of local farmers, enterprises and workers, and increased per capita annual income by several thousand RMB.

One of the branded agricultural products "Zhuoni Black Fungus"

With our longstanding dedication in the area of caring for the community, environment and employees, and collaborative efforts with business partners to build an inclusive society, the Group has been recognised as "Caring Company" for 16 consecutive years. Additionally, COLI Caring for the Society Volunteer Association was honoured with the Corporate – Top 10 Highest Volunteer Hour Award at the Hong Kong Volunteer Award 2024 for its relentless efforts to contribute to volunteerism. The Group will continue to expand its impacts and fulfill its corporate social responsibility.

Corporate — Top 10 Highest Volunteer Hour Award

Sustainable Development (continued)

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

In 2024, the Group organised 564 integrity cultural events with the theme of "Clean COLI" across the nation, deepening the awareness of clean governance principles. Within the year, the risk management mechanism focused on the emerging risks, strengthening the resilience to risk.

The Group mainly engages in property investment and development in the PRC, which is under strict regulation. The laws and regulations relating to the Group's operations cover these aspects:

- Establishment of a real estate development enterprise
- Qualification of a real estate developer
- Land for property development
- Sale of commodity properties
- Transfer of real estate
- Mortgages of real estate
- Real estate management
- Measures on stabilising property prices
- PRC taxation
- Foreign currency exchange
- Labour protection

Major laws or regulations	Issues of Concern	Compliance measures
• Environmental Impact Assessment Law of the People's Republic of China • Administrative Regulations on Environmental Protection for Construction Projects	Construction work commencement permit	Environmental impact assessment has been undertaken to ensure that all new projects of the Group undergo a comprehensive review before they are constructed.
• Environmental Protection Law of the People's Republic of China • Prevention and Control of Noise Pollution Law of the People's Republic of China • Water Pollution Prevention and Control Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste • Law of the People's Republic of China on the Prevention and Control of Air Pollution • Regulations on the Administration of Construction Project Environmental Protection	Protection of the environment and preservation of antiquities and monuments	The Group has established a quality assessment system to regulate the construction work process. The Group has appointed a third-party supervision unit to provide construction supervision services for its property development projects in Chinese mainland. The Group obtained environmental protection acceptance and inspection approvals for all projects.

Sustainable Development (continued)

RELATIONSHIP WITH KEY CORPORATE STAKEHOLDERS

Employee

The Group's employees are located across a number of cities and offices across the PRC. The Group's human resources management policy focuses on two areas:

- Personal development
- Equal Opportunity

The Group maintains and strengthens its core competencies through continuous investment in training and development and maintaining workforce diversity. The annual average training hours per employee were 97 hours in 2024. Property development is one of the industries with the highest ratio of male employees. In terms of gender distribution, the ratio of male to female employees is approximately 2.5:1. The Group will continue to monitor diversity indicators and encourage female participation in the industry.

Customers

The Group builds its brand by offering customer-oriented products and services to customers. With business focused on Chinese mainland, the Group develops a wide variety of medium-to-high-end properties in each region to satisfy the needs of different types of customers. To better understand our customers, the Group has been conducting customer satisfaction surveys on a regular basis. The Group has also established an owners' corporation to serve as a critical communication channel between the Group and its customers and a driving force for the Company's community volunteering efforts. The Group will continue to broaden the range of property products, optimise the project development cycle, enhance property quality and improve customer services, in response to and even exceed the rising expectations of our customers.

Suppliers

The Group's suppliers, most of which are engineering suppliers providing major materials, equipment and services for the Group's property development projects, are located across Chinese mainland. As a quality-based national brand, the Group has been working closely with its suppliers. Through supplier screening, evaluation, annual assessment, other management systems and regular communication, the Group makes every effort to ensure that the suppliers are promoting sustainable management in line with its principles, in addition to sharing its belief in upholding high product quality and integrity-based corporate culture.

Contractors

The Group outsources the construction process of its property development projects to the contractors. The Group maintains a long-term cooperation relationship with the contractors to ensure strong execution capabilities with standardised and scalable property development procedures. The Group has placed and will continue to place significant emphasis on quality control, environmental protection, health and safety over its project development. Through the implementation of integrated assessments, the Group cooperates with contractors to ensure quality control, environmental protection as well as health and safety of property development projects.

Details of the above will be disclosed in the Group's Environmental, Social and Governance Report to be published in April 2025.

Accolades & Awards 2024

Award	Organizer
Directors of The Year Award (Category of Listed Companies Executive Directors) Climate Governance Award (Category of Listed Companies Executive Directors)	The Hong Kong Institute of Directors
Award of Excellence in ESG (Category 1: Hang Seng Index Constituent Companies)	The Chamber of Hong Kong Listed Companies, The Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University
The Asset ESG Corporate Awards 2024 – Platinum Award	The Asset
Most Honored Company in Asia Pacific property industry Ranked Industry's First Runner-Up in: • "Best CEO" • "Best CFO" • "Best ESG" • "Best Company Board" • "Best Investor Relations Team" • "Best Investor Relations Program" • "Best Investor Relations Professional"	Institutional Investor
ESG Leading Enterprises 2024 (Category I: Market capitalisation over HK$12 billion)	The Bloomberg Businessweek/Chinese Edition
Hong Kong Volunteer Award 2024 – Corporate – Top 10 Highest Volunteer Hours Award (Group 2: Corporate with 100–999 full-time employees)	Home and Youth Affairs Bureau, Agency for Volunteer Service

Award	Organizer
China Valuable Real Estate Awards 2024	National Business Daily
The 21st (2024) Blue Chips Annual Dinner – Valued Sustainable Blue Chip (21 consecutive years)	The Economic Observer
2024 Leading Brand of China Real Estate Companies (21 consecutive years)	China Enterprise Evaluation Association, Institute of Real Estate Studies of Tsinghua University, Beijing China Index Academy
No.1 in 2024 Best 10 of China Real Estate Developers Brand Value	China Real Estate Association, Shanghai EJU Real Estate Research Institute
The 1st Greater China Real Estate Business Sustainability Index – Top 10 Pace-setter The 2nd Global (Asia Pacific) Business Sustainability Index – Pace-setter The 9th Hong Kong Business Sustainability Index – Pace-setter	The China University of Hong Kong, The Centre for Business Sustainability of CUHK Business School
Jinge Award – Outstanding IR Team of the Year (Large Market Cap)	GuruClub

Investor Relations

The management and Corporate Communications Department of the Group update investors (including shareholders, bond investors and analysts) on the Group's performance and business operations through various channels. Following the release of interim and annual results, analyst meetings and post results road shows are held to meet with investors, collect opinions and answer queries directly. The Group voluntarily discloses certain unaudited operating and financial data on a quarterly basis, and announces property sales results and new land acquisitions on a monthly basis to improve the transparency of information disclosure.

The Group communicates and connects closely with investors and interacts with them through conferences arranged by investment banks, company visits, conference calls and site visits to property projects. During the year, the Group participated 36 investment conferences/investor group calls, communicated with more than 1,500 investors and organised 14 deal/non-deal roadshows.

With continued development of the Connect programmes between the Hong Kong and mainland China stock market and bond market, the Group maintains regular communications with mainland investors, and further expands into mainland capital market, participating 16 investment conferences/investor group calls organised by mainland brokers. Investors from all sectors can obtain more information about the Group by clicking on the page "Investor Relations" at the Group's website.

MAJOR INVESTOR RELATIONS ACTIVITIES IN 2024

During the year, the Group participated in 36 investment conferences, communicated with more than 1,500 investors and organised 14 deal/non-deal roadshows.

Months	Activities
January – March	J.P. Morgan China/Hong Kong Online Property Conference UBS Greater China Conference 2024 Morgan Stanley China Cyclicals Corporate Day 2024 Announcement of 2023 annual results – 2023 Annual Results Announcement – Post results road shows
April – June	HSBC Global Investment Summit 2024 China Securities Investment Conference 2024 – Dividend & Market Value Management Changjiang Securities 1H2024 Investment Conference Shenwan Hongyuan Securities Corporate Day May 2024 China Industrial Securities Overseas Investment Conference 2024 J.P. Morgan 20th Annual Global China Summit UBS Asian Investment Conference 2024 CGSI 9th Annual China/HK Property & China Property Management Virtual Conference CICC 1H2024 Investment Conference BofA 2024 APAC Financial, Real Estate Equity and Credit Conference Citi Asia Pacific Property Conference 2024
July – September	Shenwan Hongyuan Securities Property Industry Chain Seminar 2024 Announcement of 2024 interim results – 2024 Interim Results Announcement – Post results road shows HSBC 11th Annual China Conference Everbright Securities Corporate Day 2024 Autumn Huatai Securities 2024 Autumn Investment Summit 31st CITIC CLSA Investors' Forum Goldman Sachs China Conference 2024 UBS APAC Property Conference 2024
October – December	Citi China Conference 2024 CITIC Securities 2025 Annual Capital Market Conference JPM Mainland China/HK Property Year Ahead Call Series CICC Investment Conference 2024 Morgan Stanley 22nd Annual Asia Pacific Summit Guosen Annual Capital Market Conference 2024 China Securities Annual Capital Market Summit 2025 China Industrial Securities Investment Conference 2025 Shenwan Hongyuan Securities Annual Investment Conference 2025

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

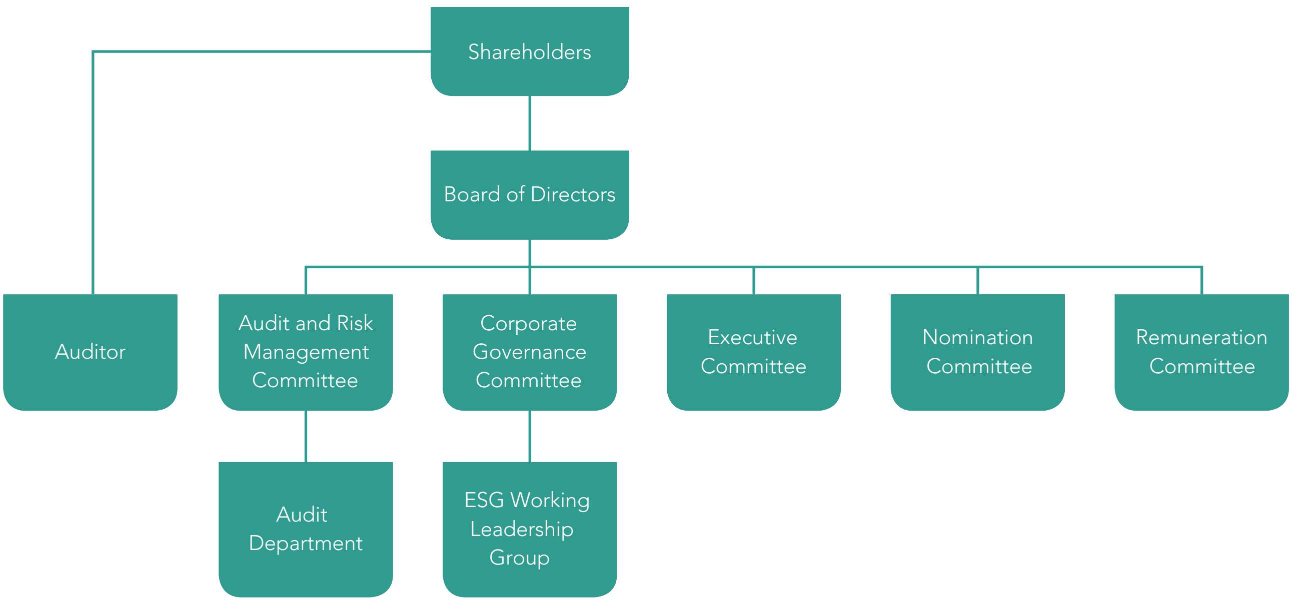
The board (the "Board") of directors of the Company (the "Directors") believes that good corporate governance practices are the keys to attain long-term and sustainable growth of the business and safeguard the interests of its shareholders. The Company strives to strengthen its corporate governance practices appropriate to the conduct and growth of the Group's business, the cornerstone of which is to have an experienced, committed Board and an effective internal control to enhance its transparency and accountability to the shareholders of the Company.

The Company has applied the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") from time to time.

The Board is of the view that the Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2024. Key corporate governance principles and practices of the Company as well as the status of the Company's compliance with the CG Code are summarised below.

CORPORATE GOVERNANCE STRUCTURE

The following persons are contributing to the Company's corporate governance:



Corporate Governance Report (continued)

BOARD OF DIRECTORS

Management Functions

The Board is responsible for the overall strategic leadership and management of the Group with the objectives of enhancing shareholder value and presenting a balanced, clear and understandable assessment of the Company's performance, position and prospects in the annual and interim reports, announcements and other financial disclosures as required under the Listing Rules, and reports to regulators any information required to be disclosed pursuant to statutory requirements.

Having regard to the best interests of the Company and its shareholders, the Board reviews and approves major matters such as the Company's business strategies, budgets, major investments as well as mergers and acquisitions. In addition, the Board supervises and controls the implementation of strategies of the Company and its operation and financial performance of the Company, formulates appropriate risk control policies and procedures in pursuit of the business strategies of the Group, performs and maintains a high standard of corporate governance of the Company and promotes the communication with its shareholders.

The day-to-day management, administration and operation of the Company are delegated to the Executive Committee and the management team. The Board gives clear directions to the management as to their powers and authorities, and circumstances in which the management should report back to the Board and obtain approval from the Board prior to entering into any commitment by the management.

The Board also delegates certain specific responsibilities to five Board committees of the Company, namely the Audit and Risk Management Committee, the Corporate Governance Committee, the Executive Committee, the Nomination Committee and the Remuneration Committee, to implement internal supervision and control on each relevant aspect of the Company. Responsibilities and functions of each Board committee are described below. All the Board committees will report to the Board on their decisions or recommendations made.

Board Composition and Diversity

The composition of the Board during the year and up to the date of this report is as follows:

Executive Directors

Mr. Yan Jianguo *(Chairman)*
Mr. Luo Liang *(Vice Chairman and Chief Architect) (retired w.e.f. 29 August 2024)*
Mr. Zhang Zhichao *(Chief Executive Officer)*
Mr. Guo Guanghui *(Vice President)*

Non-executive Directors

Mr. Zhuang Yong *(Vice Chairman)*
Mr. Zhao Wenhai *(resigned w.e.f. 22 January 2025)*
Mr. Ma Yao *(appointed w.e.f. 22 January 2025)*

Independent Non-executive Directors

Mr. Li Man Bun, Brian David
Professor Chan Ka Keung, Ceajer
Dr. Chan Ching Har, Eliza

The biographical details of the Directors and the relationships among the Directors (if any) are set out in the section headed "Directors and Senior Management" on pages 56 to 62 of this annual report.

Corporate Governance Report (continued)

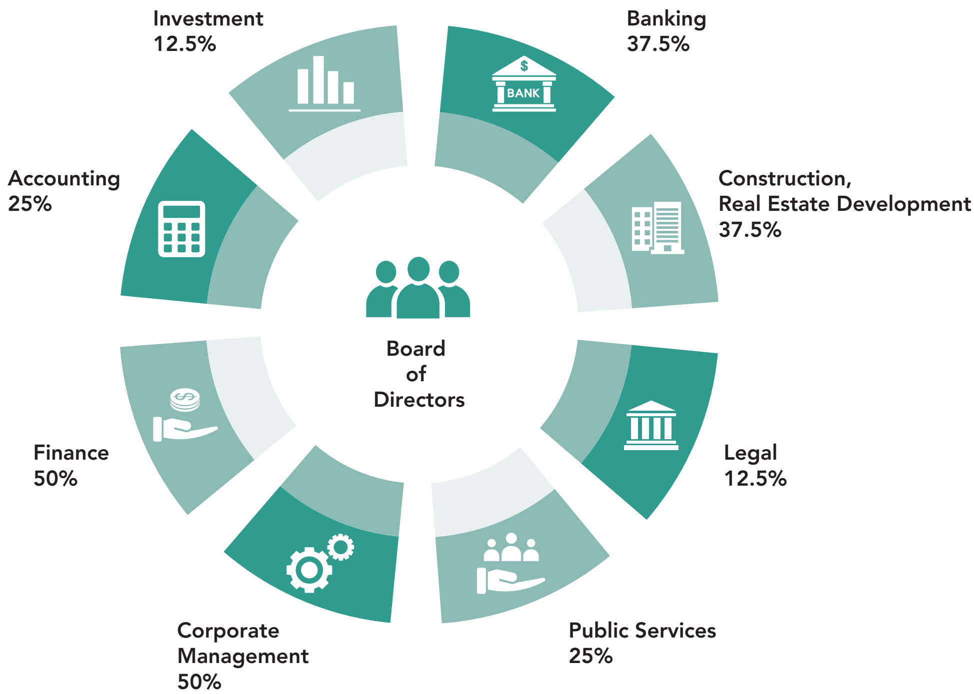
BOARD OF DIRECTORS *(continued)*

Board Composition and Diversity *(continued)*

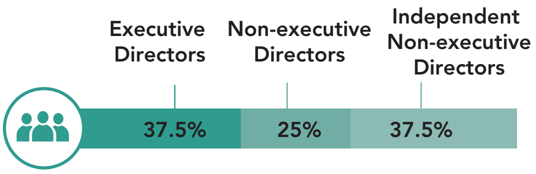
The current composition of the Board reflects an appropriate mix of skills, experience and diversity of perspectives among its members that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness.

Board composition and diversity are as follows as at the date of this annual report:

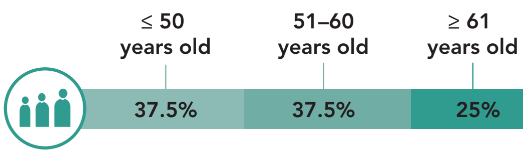
Background and Experience



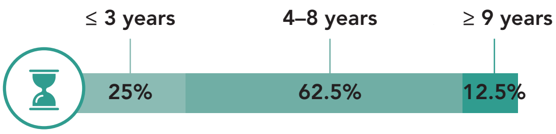
Role



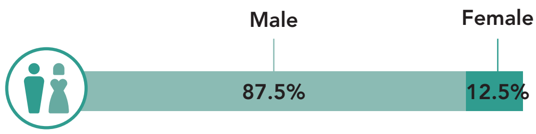
Age Group



Length of Service



Gender



Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Composition and Diversity *(continued)*

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. Since 6 August 2013, the Board has adopted a board diversity policy (the "Board Diversity Policy") in order to achieve a sustainable and balanced development of the Company. In designing the Board's composition, Board diversity takes into account various factors, including but not limited to gender, age, educational background, professional experience, knowledge, culture and length of service. All Board appointments will be based on meritocracy and selection of candidates will be based on a range of diversity factors. The Nomination Committee is responsible for reviewing the Board Diversity Policy annually, making recommendation to the Board of the amendment of this policy and developing measurable objectives for implementing this policy and monitoring progress towards the achievement of these objectives.

The Board currently has one female Director out of eight Directors. The Board is committed to maintaining at least one Director of a different gender on the Board to achieve gender diversity. The management team led by the Chairman of the Board has identified appropriate candidates through multiple channels and established a list of potential successors to the Board. Such list will be reviewed and updated from time to time.

The Company also values diversity in its workforce and is committed to creating a free and open work environment enabling all employees to excel at their positions regardless of gender, age or race. The Company strives to maintain an employee male-to-female ratio at not higher than 2.8:1 until 2030, while seeking to improve the new employee male-to-female ratio towards 2:1. During 2024, the employee male-to-female ratio was 2.5:1 and that of new employees was 1.86:1. For details of the hiring practices and diversity at workforce levels (including senior management), please refer to the Company's 2024 Environmental, Social and Governance Report.

During the year, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy and confirmed that the Board has an appropriate mix of skills and experience to deliver the Company's strategy, and that the Board Diversity Policy is effective.

Board Independence

The Company recognises that Board independence is critical to good corporate governance and is a key to an effective Board. Mechanisms have been put in place and regularly reviewed on an annual basis to ensure independent views are available to the Board, including:

- sufficient number of Independent Non-executive Directors representing one-third of the Board;
- regular disclosure of time commitment of Directors to the Company;
- established a clear process and criteria under the Nomination Policy and the Board Diversity Policy for nomination of a candidate for directorship in the Company;
- full disclosure of conflict of interests, if any, in proposals or transactions to be considered by the Board at Board meetings;

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Board Independence *(continued)*

- free access to senior management or external independent professional advice at the Company's expenses to assist the Independent Non-executive Directors to perform their duties;

- separate discussions amongst the Independent Non-executive Directors and the Chairman of the Board without the presence of the Executive Directors;

- annual written confirmation of independence by the Independent Non-executive Directors and annual assessment by the Nomination Committee on the Directors' independence; and

- regular evaluation of independence of the Independent Non-executive Directors by the full Board.

During the year, the Company has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors including at least one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The Company has three Independent Non-executive Directors representing more than one-third of the Board.

All Independent Non-executive Directors are financially independent from the Group bringing in independent view and judgement, a wide range of business and financial expertise, knowledge and experience to the Group's affairs. The Board considers that there is a reasonable balance between the composition of the Executive Directors and the Non-executive Directors which has provided adequate checks and balances for safeguarding the interests of the shareholders of the Company.

Mr. Li Man Bun, Brian David has been serving as an Independent Non-executive Director for more than nine years. The Directors opine that he has consistently demonstrated the required character, integrity, independence and experience to discharge the duties of an independent non-executive director. Furthermore, the Directors consider that there is no evidence that length of tenure has an adverse impact on independence of the Independent Non-executive Director and the Directors are not aware of any circumstances that might influence Mr. Li in exercising his independent judgement. Based on the aforesaid, the Directors conclude that despite his length of service, Mr. Li will continue to maintain an independent view of the Company's affairs and bring his relevant experience and knowledge to the Board.

The Company has received annual written confirmation of independence from each of the Independent Non-executive Directors as regards the factors set out in Rule 3.13 of the Listing Rules. None of them holds cross-directorships or has significant links with other Directors through involvements in other companies or bodies. The Board considers that all Independent Non-executive Directors are independent of the Company.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Chairman and Chief Executive Officer

The roles of the Chairman of the Board and the Chief Executive Officer are separate to ensure a balance of power and authority.

Mr. Yan Jianguo is the Chairman of the Board to lead and manage the Board. He is responsible for ensuring that before any meeting is held, all Directors receive accurate, clear, complete and reliable information in a timely manner and the Directors are properly briefed on issues arising at the meetings. He promotes culture of openness and debate and encourages Directors with different views to voice their concerns in order to ensure that the Board works effectively and discharges its responsibilities as well as the Board decisions fairly reflect Board consensus. He is responsible for establishing good corporate governance practices and procedures, and appropriate steps are taken to provide effective communication with shareholders and those views of shareholders are communicated to the Board as a whole. The Chairman holds meeting annually with the Independent Non-executive Directors to discuss corporate governance and other matters without other Directors present.

Mr. Zhang Zhichao is the Chief Executive Officer of the Company. He is a member of the Executive Committee which is responsible for implementing the strategies and objectives set by the Board and overseeing day-to-day management of the Company's businesses within the powers and authorities delegated by the Board.

Appointment, Re-Election and Removal

In accordance with the articles of association of the Company, one-third of the Directors will retire from office by rotation for re-election by shareholders at the annual general meeting and every Director is subject to retirement by rotation at least once every three years. In addition, any newly appointed Director is subject to re-appointment by shareholders at the next following annual general meeting.

Non-executive Directors (as well as all other Directors) are not appointed for a specific term according to their service of contract and/or letter of appointment but they are subject to retirement by rotation and re-election once every three years in accordance with the articles of association of the Company.

In addition, the Nomination Committee will generally oversee the appointment or re-appointment of Directors and the succession planning of the Board, having due regard to the Board Diversity Policy and the Nomination Policy of the Company as summarised in the sections headed "Board Composition and Diversity" and "Nomination Committee" respectively in this Corporate Governance Report. The Board will also consider each retiring Director recommended by the Nomination Committee and recommend the retiring Director to stand for re-appointment at the annual general meeting in accordance with the articles of association of the Company.

Directors' Securities Transactions

The Company has adopted a set of code of conduct for securities transactions by Directors ("Code of Conduct") on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the year of 2024.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover in respect of legal action against Directors and officers of the Company.

Supply of and Access to Information

For regular Board meetings and Board committee meetings, the agenda and accompanying Board papers are sent in full to all Directors or Board committee members at least three days before the intended date of a Board meeting or Board committee meeting.

Management has supplied the Board and its committees with adequate, complete and reliable information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its committees for approval. Management will answer any questions that the Board or committee members may have, and is also invited to join the Board or Board committee meetings where appropriate.

All Directors are also entitled to have access to timely information such as monthly updates in relation to the Group's businesses and have separate and independent access to senior management of the Company.

Directors' Training

All Directors have a fiduciary duty and statutory responsibilities towards the Company and the Group. Every newly appointed Director will receive an induction on the first occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the operations and business of the Company, and his/her responsibilities under laws, regulations and particularly the governance policies of the Company. Mr. Ma Yao, a Non-executive Director appointed on 22 January 2025, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 20 January 2025 and has confirmed he understood his obligations as a director of the Company.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

The Company makes available continuous professional development opportunities and site visit to the Group's properties for all Directors at the expense of the Company so as to keep them abreast of industry trends and the Company's operations.

Corporate Governance Report (continued)

BOARD OF DIRECTORS *(continued)*

Directors' Training *(continued)*

According to the training records provided by the Directors to the Company, they participated in continuous professional development in 2024 which comprised attending seminars and talks, giving talks at seminars, reading reference materials relevant to the directors' duties and responsibilities and site visit. Details of the type of training they received during the year are summarised as follows:

Name of Directors	Type of Training (see remarks)
Mr. Yan Jianguo	A, B, C, D
Mr. Luo Liang *(retired w.e.f. 29 August 2024)*	A, B, C, D
Mr. Zhang Zhichao	C, D
Mr. Guo Guanghui	C, D
Mr. Zhuang Yong	A, B, C, D
Mr. Zhao Wenhai *(resigned w.e.f. 22 January 2025)*	C, D
Mr. Li Man Bun, Brian David	A, C, D
Professor Chan Ka Keung, Ceajer	A, B, C, D
Dr. Chan Ching Har, Eliza	A, C, D

Remarks:

A: attending seminars or trainings
B: giving talks at seminars
C: reading reference materials relevant to the director's duties and responsibilities
D: visiting the Company's project(s)

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE

The Board takes a leading role in developing the corporate culture, which aligns with the purpose, values and strategy of the Company. The Group embraces the corporate culture of "leading", which means constantly surpassing limits, leading industry trends, and dauntlessly breaking new ground and strives to achieve its strategic goal of "to be an exceptional global property development corporation", expanding and creating better livings around its principal business of property development and operation, continually strengthening its three major businesses — Property Development, Urban Services and Design Services.

Built on more than 45 years of development experience and having braved the challenges of numerous economic and real estate cycles, the Group cleaves to a long-term market perspective in planning the development of the enterprise. Steady and sustained long-term growth has been the Group's strategy and action guide for the past years and will remain so for the years ahead.

Corporate Governance Report (continued)

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE *(continued)*

The Group firmly believes the measure of a good business is whether it qualifies as "a Company of Four Excellences", offering "good products and good services", and demonstrating "good effectiveness and good citizenship". The Group will maintain its strategies and stay committed to its vision "to be an exceptional global property development corporation", firmly adhere to its operating philosophy of "good products, good services, good effectiveness and good citizenship", maintain its positioning in major cities, mainstream areas and mainstream products, and maintain the strategic structural balance of "today, tomorrow, and the day after tomorrow", where residential development, commercial assets management, together with new businesses including senior living, education and logistics, are the Group's main businesses of today, the growth drivers of tomorrow, and will spur growth the day after tomorrow.

Our corporate values adhere to the principles of behaving properly, strictly complying with rules, seeking truth and being honest and pragmatic. The Board is responsible for overseeing our ethics issues, conduct and affairs for promoting the success of the Group for the benefit of our shareholders and stakeholders. The Company has a set of clear Corporate Code of Conduct to ensure the Company operates to the highest standards of ethical conduct with integrity and professionalism and all staff are required to strictly follow the Corporate Code of Conduct. For details on the Corporate Code of Conduct, please refer to the Company's 2024 Environmental, Social and Governance Report.

During the year, the Board reviewed the key areas of progress of how the Company achieves "good products, good services, good effectiveness and good citizenship", which details have been disclosed in the Company's 2024 Environmental, Social and Governance Report, and satisfied that the Company's culture aligns with the purpose, values and strategy of the Company.

Details of the Group's strategy, business and financial review in the year 2024 are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the relevant laws and standards. Appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable. The Directors endeavour to ensure that a balanced, clear and understandable assessment of the Company's position and prospects are presented in annual reports, interim reports, announcements and other disclosures required under the Listing Rules and other statutory requirements.

Risk Management and Internal Controls

The Board has the overall responsibility for maintaining an appropriate and effective risk management and internal control systems and for evaluating and determining the nature and extent of the risks that the Company is willing to take when achieving the Company's business objectives. The Board delegates to the management the design, implementation and ongoing assessment of the risk management and internal control systems, and through the Audit and Risk Management Committee oversees and reviews the adequacy and effectiveness of the risk management and internal control systems.

Details of the main feature of the risk management and internal control systems including the risk management structure, the risk management process and the management of principal risks are set out in the "Risk Management and Internal Controls Report" of this annual report.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD

Board Proceedings

The Board meets regularly, and at least four times each year with meeting dates scheduled in advance to facilitate the attendance by the Directors. The Board held four meetings during the year and meetings were also held as and when necessary to discuss significant transactions, including material acquisitions, disposals and connected transactions, if any. Also, the Board discussed the corporate governance duties performed by it including, without limitation, to review the Company's policies and practices on corporate governance, and compliance with legal and regulatory requirements. The attendance of each Director at meetings of the Board and its committees is set out in the table on page 90 of this annual report.

Notice of at least fourteen days is served for regular Board meetings and reasonable notice is given for all other Board meetings. The Chairman of the Board, assisted by the Company Secretary, is responsible for drawing up and approving the agenda for each Board meeting. Agendas and accompanying Board papers in sufficient details are circulated at least three days before the intended date of meetings so as to allow the Directors have sufficient time to prepare before meetings. Management briefing sessions will also be scheduled as and when necessary. Directors are also invited to inform the Chairman or the Company Secretary if they intend to include discussion items in the agenda for Board meetings.

Within a reasonable time after meetings, draft and final versions of all minutes for Board meetings and committee meetings will be sent to all Directors and committee members for review. The approved minutes are kept by the Company Secretary, and the Board and committee members may inspect the documents at any time.

The proceedings of the Board meetings apply to the meetings of each Board committee.

All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that the Company has followed procedures and complied with all applicable laws and regulations. Where necessary, Directors can seek separate independent professional advice at the Company's expenses so as to discharge their duties to the Company.

To safeguard independence of the Directors, Directors are required to declare their interest, if any, in any business proposals to be considered by the Board and, where appropriate, they are required to abstain from voting if a Director has a conflict of interest in any matter to be considered by the Board. In addition, physical Board meetings (with the attendance of Independent Non-executive Directors who have no material interest in the transactions) will be held to consider all material connected transactions or any transactions involving substantial shareholder's or Director's material interest. If considered appropriate, Independent Non-executive Directors will take the lead in such meeting.

Currently, the Board has set up five committees, namely the Audit and Risk Management Committee, the Corporate Governance Committee, the Executive Committee, the Nomination Committee and the Remuneration Committee in compliance with the Listing Rules. Each committee has its own defined scope of duties and terms of reference. The terms of reference of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee are available on the websites of the Company and the Hong Kong Stock Exchange. The Company Secretary shall also make available the terms of reference of all the committees to any shareholder upon request. Sufficient resources are provided to each committee to discharge its duties. Where necessary, the committees can seek independent professional advice at the Company's expenses to perform their responsibilities.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Executive Committee

The Executive Committee comprises all Executive Directors of the Company, namely Mr. Yan Jianguo, Mr. Zhang Zhichao and Mr. Guo Guanghui. The Executive Committee is chaired by Mr. Yan Jianguo.

The principal duties of the Executive Committee are as follows:

- To review and approve loans or banking facilities to be granted to the Company, its subsidiaries, jointly controlled entities and associated companies and the opening of bank or securities related accounts matters;
- To review and approve financial instruments to be issued by the Company, its subsidiaries, jointly controlled entities and associated companies;
- To review and approve grant of loan or other financial assistance to the Company's jointly controlled entities and/or associated companies;
- To review and approve provision of corporate guarantees, indemnity and/or letter of comfort by the Company for its subsidiaries, jointly controlled entities and/or associated companies;
- To review and approve land auctions or tenders, and contracts in the ordinary and usual course of business of the Company; and
- To deal with any other specific business delegated by the Board.

The Executive Committee will report to the Board on a regular basis and the resolutions passed by the Executive Committee from time to time shall be tabled for the information of all Directors at the Board meetings.

During the year, the Executive Committee held four meetings and passed resolutions by way of written resolution to (amongst other matters) review and approve:

- various bank loans and facilities;
- provision of corporate guarantee for the subsidiaries, jointly controlled entities and/or associated companies of the Company;
- land auctions and contracts in the ordinary and usual course of business of the Company; and
- listed securities and corporate bonds issued by the subsidiaries of the Company.

DELEGATION BY THE BOARD *(continued)*

Audit and Risk Management Committee

The Audit and Risk Management Committee currently comprises three members, namely Mr. Li Man Bun, Brian David, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Audit and Risk Management Committee is chaired by Mr. Li Man Bun, Brian David.

The principal duties of the Audit and Risk Management Committee are as follows:

- To review and monitor the integrity of the financial information of the Group;
- To review the financial control, risk management and internal control systems of the Company; and
- To oversee the matters relating to the external auditor.

The Audit and Risk Management Committee held four meetings during 2024 and reviewed:

- the Group's annual financial reports for the year ended 31 December 2023, and interim and quarterly results for the year ended 31 December 2024;
- the audit plans from the internal auditor and the external auditor;
- the audit approach and methodology applied to the audit process, the areas of audit emphasis and the impact of the new and revised accounting standards on the Company's financial statements;
- the internal and independent audit results;
- the external auditor's independence and scope of provision of non-audit services;
- the re-appointment of the external auditor and their remuneration;
- the adequacy and effectiveness of the risk management, internal control and financial reporting systems;
- the major investigations findings on risk management and internal control matters;
- the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; and
- the continuing connected transactions and their annual caps.

The Audit and Risk Management Committee also met with the external auditor twice a year in the absence of management to discuss matters relating to any issue arising from audit and any other matters the auditor may wish to raise.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Professor Chan Ka Keung, Ceajer, Mr. Li Man Bun, Brian David and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Remuneration Committee is chaired by Professor Chan Ka Keung, Ceajer.

The principal duties of the Remuneration Committee are as follows:

- To make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management;
- To make recommendations to the Board on the remuneration packages of the Directors of the Company and senior management in consultation with the Chairman of the Board;
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- To review and approve matters relating to share schemes under the Listing Rules.

The Remuneration Committee held one meeting and passed resolutions by way of written resolution during 2024 and reviewed:

- the remuneration policy and structure of the Group;
- the remuneration package of all Directors of the Company and the senior management and employees of the Group;
- the discretionary bonus of the senior management of the Company and the employees of the Group; and
- the vesting and lapse of Share Options under the Share Option Scheme (as defined in the section headed "Share Option Scheme" in this annual report with details set out thereto).

DELEGATION BY THE BOARD *(continued)*

Remuneration Committee *(continued)*

The primary goal of the Company's Director and Employee Remuneration Policy is to provide a fair and competitive remuneration package to attract, retain and motivate the Directors and employees of the Company in line with the long-term business strategy of the Company and the interests of the shareholders of the Company.

Subject to the compliance with relevant laws and regulations and with reference to market research and conditions, Executive Directors' and employees' remuneration package comprises the following fixed and variable components:

Components	Determining Factors
Fixed remuneration	
Basic salary	• salaries paid by comparable companies • Executive Directors' and employees' performance and contribution, time commitment, responsibilities, employment conditions • the Company's operating performance
Variable remuneration	
Discretionary bonus	• the Company's operating performance and profitability • Executive Directors' and employees' performance and contribution
Share options	• the Company's operating performance and profitability • Executive Directors' and employees' performance and contribution • on and subject to the relevant share option scheme and the requirements of the Listing Rules

The remuneration of Non-executive Directors (including the Independent Non-executive Directors), comprising the Directors' fees, is determined by reference to their respective duties and responsibilities with the Company, the Company's standard for emoluments and the prevailing market conditions and remuneration paid by comparable companies.

The Company will seek shareholders' approval in its annual general meeting to authorise the Board to fix the remuneration of Directors. No Director was involved in determining his/her remuneration.

Details of Directors' remuneration for 2024 are set out in note 13 to the financial statements.

The remuneration of the senior management by band for the year ended 31 December 2024 is set out below:

Remuneration bands *(RMB)*	Number of individuals *(Note)*
2,500,000 or below	2
2,500,001 to 3,000,000	9
3,000,001 to 3,500,000	1

Note: Inclusive of a senior management who resigned during the year 2024.

Corporate Governance Report (continued)

DELEGATION BY THE BOARD *(continued)*

Nomination Committee

The Nomination Committee currently comprises three members, namely Dr. Chan Ching Har, Eliza, Mr. Li Man Bun, Brian David and Professor Chan Ka Keung, Ceajer, all of whom are Independent Non-executive Directors. The Nomination Committee is chaired by Dr. Chan Ching Har, Eliza.

The principal duties of the Nomination Committee are as follows:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- To identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of Independent Non-executive Directors; and
- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee held one meeting during 2024 and reviewed:

- the structure, size and composition of the Board;
- the implementation and effectiveness of the Board Diversity Policy and the Board Independence mechanisms;
- the re-election of the retiring Directors at the annual general meeting; and
- the independence of the Independent Non-executive Directors.

In respect of selecting individual to be nominated or re-elected as Director, the Nomination Committee will have regard to the Board Diversity Policy and the Procedure Regarding Appointment, Election and Removal of Directors of the Company (equivalent to the nomination policy of the Company and hereafter referred to as "Nomination Policy"). The nominee shall satisfy the requirements as set out in the Listing Rules including that the nominee should have the character, experience and integrity and be able to demonstrate a standard of competence commensurate with his or her position as a Director.

Based on the formalised process and procedure of nominating a director regulated under the Nomination Policy of the Company, the management team led by the Chairman of the Board will identify a wide and diverse range of candidates from various backgrounds that would be attributable to the business needs and carry out a due diligence on the shortlisted candidates. A comprehensive review will be presented to the Nomination Committee who will further discuss and assess the suitability of the candidates against a range of criteria from an independent perspective in accordance with the Board Diversity Policy, and make recommendation to the Board.

During the year, the Nomination Committee reviewed the qualifications, experience, background and the core competencies in the field of relevant industry knowledge of the Directors in accordance with the Nomination Policy and the Board Diversity Policy. The Nomination Committee and the Board are satisfied that the Board has the appropriate mix of diverse, experience and skills, and recommended the shareholders to re-elect Mr. Yan Jianguo, Mr. Zhao Wenhai, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza as Directors at the annual general meeting held on 21 June 2024. Also, at the recommendation of the Nomination Committee, the Board appointed Mr. Ma Yao as Non-executive Director with effect from 22 January 2025.

DELEGATION BY THE BOARD *(continued)*

Corporate Governance Committee

The Corporate Governance Committee currently comprises three members, namely Professor Chan Ka Keung, Ceajer, Mr. Li Man Bun, Brian David and Dr. Chan Ching Har, Eliza, all of whom are Independent Non-executive Directors. The Corporate Governance Committee is chaired by Professor Chan Ka Keung, Ceajer.

The principal duties of the Corporate Governance Committee are as follows:

- To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- To review and monitor the training and continuous professional development of the Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company; and
- To perform the duties in respect of environmental, social, and governance ("ESG") related issues of the Group under the Listing Rules.

The Corporate Governance Committee held two meetings during 2024 and reviewed:

- the Company's policies and practices on corporate governance, and compliance with the CG Code;
- the implementation and effectiveness of the Shareholders' Communication Policy;
- the ESG Report for the year 2023; and
- the work done in respect of the ESG related issues for the first half of the year 2024 and the work plan for the year 2024.

The Board has the overall responsibility for effective corporate governance and oversight of ESG matters. To ensure the effectiveness of sustainability management and implement sustainability management policies and measures systematically, the Company has formulated the Measures for Environmental, Social and Governance Management to clearly define the role and responsibilities and reporting mechanism for sustainability affairs.

The Corporate Governance Committee is responsible for providing long-term direction and strategies on sustainability-related matters, identify ESG risks (including climate-related risks), and review and monitor management's execution of sustainability projects. To support the Corporate Governance Committee, the Company has established an ESG Working Leadership Group, and the ESG strategic framework under the framework of being "a Company of Four Excellences", for planning and achieving qualitative and quantitative sustainability targets, which covered from green building area, air quality testing, customer satisfaction, employee satisfaction, employee training, carbon emissions to energy consumption density.

For detailed discussions on the Group's ESG policies and performance, please refer to the Company's 2024 ESG Report.

Corporate Governance Report (continued)

ATTENDANCE RECORDS

To ensure that the Directors have spent sufficient time on the affairs of the Company, the Directors are required to disclose to the Company once a year the number and nature of their other offices held in Hong Kong or overseas listed public companies and other significant commitments, as well as an indication of the time involved in those positions. In addition, the Directors usually inform the Company promptly whenever there are changes regarding their other positions. During the year, no Director held more than five listed company directorship (including the Company).

The Board was satisfied that the Directors had positively contributed to the Board through active participation in the Company's affairs as reflected in their high attendance record on the Board meetings, Board committees meetings and annual general meeting held in 2024 as set out in the following table:

	Actual Attendance/Number of Meetings a Director was entitled to attend						
Name of Directors	Board Meetings	Executive Committee Meetings	Audit and Risk Management Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Corporate Governance Committee Meetings	Annual General Meeting
Mr. Yan Jianguo	4/4	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Luo Liang *(retired w.e.f. 29 August 2024)*	4/4	2/4	N/A	N/A	N/A	2/2	1/1
Mr. Zhang Zhichao	4/4	3/4	N/A	N/A	N/A	N/A	1/1
Mr. Guo Guanghui	4/4	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Zhuang Yong	4/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Zhao Wenhai	3/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Li Man Bun, Brian David	4/4	N/A	4/4	1/1	1/1	2/2	1/1
Professor Chan Ka Keung, Ceajer	4/4	N/A	4/4	1/1	1/1	2/2	1/1
Dr. Chan Ching Har, Eliza	4/4	N/A	4/4	1/1	1/1	2/2	1/1

BOARD EVALUATION

The Board recognises the importance and benefit of conducting regular evaluations of its performance to ensure effectiveness. Since 2022, the Board evaluation process was formalised, by adopting a board evaluation questionnaire for the full Board as well as Board Committees every two years.

In October 2024, a review of the performance of the Board and each of the Board committees was conducted through an anonymous online questionnaire to each Director, seeking views and feedbacks on the overall performance of the Board and its committees, its role, responsibilities, skills and composition, conduct of Board and committee meetings, provision of information, culture and boardroom behaviours and areas for improvement. The responses and comments from all Directors were presented to the Board. The evaluation results indicated that the Board and its committees continue to operate effectively, and the committees fulfilled their duties as set out in their terms of reference. An action plan has been developed to enhance the frequency of meeting between the Chairman and the Independent Non-executive Directors, and to arrange a broader scope of regular training to Directors. There were no other material issues to report.

Corporate Governance Report (continued)

DIVIDEND POLICY

The Company aims at providing a stable and sustainable return to the shareholders and a dividend policy was adopted by the Company in 2019. Under the dividend policy, the Board shall take into account future operating and profit, cash flows, capital and other reserve requirements of the Group, overall financial position, contractual restrictions, articles of association of the Company, all applicable laws (including the Inland Revenue Ordinance) and other factors when the Board recommends the declaration of dividends and determines the dividend amounts.

The Company will continue to review the dividend policy and retain its sole and absolute discretion to update, revise and/or modify the dividend policy at any time.

COMPANY SECRETARY

The Company Secretary of the Company is a full time employee of the Company and reports to the Chairman of the Board. The Company Secretary supports the Board by ensuring good information flow and that the Board policies and procedures are strictly followed. The Company Secretary is also responsible for advising the Board on corporate governance matters and facilitating the induction and professional development of Directors.

During the year, Mr. Edmond Chong, the Company Secretary of the Company, has taken no less than 15 hours of relevant professional training.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to maintain an on-going and open dialogue with current and prospective, and both individual and institutional shareholders of the Company. A Shareholders' Communication Policy was adopted throughout the year pursuant to the CG Code which aims at establishing a two-way relationship and communication between the Company and its shareholders.

Apart from reporting to the shareholders and investors on its operation and financial conditions semi-annually and annually, the Company also discloses relevant operational data monthly and quarterly so that the investors can have a better understanding about the Company's operations and allow for a fair and balanced outlook of the Company and industry to the market.

The Company views general meetings as an essential mean of conducting a dialogue with individual shareholders. Shareholders of the Company are encouraged to attend the general meetings of the Company which provide a useful forum for exchanging views with management of the Company. A separate resolution would be proposed by the Chairman in respect of each substantial issue at the general meetings. All Directors (including the Non-executive Directors) are invited to the general meetings. The Chairman of the Board and the chairpersons of the Audit and Risk Management Committee, the Corporate Governance Committee, the Nomination Committee and the Remuneration Committee, or in their absence, other members of the relevant committees, are available at the general meetings to answer questions from shareholders on the business of the Group. The Company's management ensures the external auditors attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence.

Corporate Governance Report (continued)

COMMUNICATION WITH SHAREHOLDERS *(continued)*

To further enhance minority shareholders' rights, the Company has conducted all voting at the general meetings by poll. Detailed procedures for conducting the poll are explained clearly at the beginning of the general meeting. The share registrar and transfer office of the Company will also be appointed as scrutineer for the poll at the general meetings. Poll results will be posted on the Company's website and the Hong Kong Stock Exchange's website after each general meeting.

Apart from participating in the Company's general meetings, the Company has adopted an Inside Information Disclosure Policy which provides guidance on the disclosure of material information to all shareholders. Shareholders may also send their specific enquiries requiring the Board's attention to the Company Secretary. Other general enquiries can be directed through the Company's investor and public relations' designated contacts, email addresses and enquiry lines as set out in the "Corporate Information" section on page 3 of this annual report.

Effective engagement with investors and timely disclosure are key components of good corporate governance. The Company also holds regular meetings with financial analysts and investors, organises various roadshows, media interviews and marketing activities, during which the Company's management will provide relevant information and data to the analysts, fund managers and investors, as well as answer their enquiries in a prompt, complete and accurate manner while at all times respecting the relevant regulations restricting the disclosure of inside information. The Company's website is updated continuously, providing up-to-date information regarding latest development of the Company.

During the year, the Corporate Governance Committee reviewed the Shareholders' Communication Policy through the analysis of the recent capital market situation, the shareholders' structure of the Company and the above communication carried out with the shareholders and the investors. Based on the aforesaid, the Board concurred with the view of the Corporate Governance Committee, and concluded that the Shareholders' Communication Policy is effective.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene a General Meeting

Shareholder(s) of the Company can request the Directors to convene a general meeting pursuant to section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") by fulfilling the conditions below:

(i) One or more shareholder(s) in aggregate holding not less than 5% of the total voting rights of the Company carrying the right to vote at general meetings may send request(s) to the Company in hard copy form or in electronic form.

(ii) Such request(s):

  (1) Must state the general nature of the business to be dealt with at the meeting;

  (2) May include the text of a resolution that may properly be moved and is intended to be moved at the meeting;

  (3) May consist of several documents in like form; and

  (4) Must be authenticated by the person or persons making it.

Procedures for Shareholders to Put Forward Proposals at General Meetings

(i) The procedures for proposing candidate(s) for election as Director(s) at a shareholders' meeting are set out in the Corporate Governance section of the Company's website.

(ii) Shareholder(s) can request the Company to circulate a statement (or notice of a resolution that may properly be moved and is intended to be moved at the annual general meeting) to members of the Company entitled to receive notice of a general meeting (or annual general meeting, where applicable), in pursuance of section 580 (or section 615, in the case of annual general meeting) of the Companies Ordinance subject to the following:

  (1) The statement should be of not more than 1,000 words and with respect to:

    (a) A matter mentioned in a proposed resolution to be dealt with at that meeting; or

    (b) Other business to be dealt with at that meeting.

  (2) Each shareholder may only request the Company to circulate:

    (a) One such statement with respect to the resolution mentioned in (1)(a) above; and

    (b) One such statement with respect to the other business mentioned in (1)(b) above.

Corporate Governance Report (continued)

SHAREHOLDERS' RIGHTS *(continued)*

Procedures for Shareholders to Put Forward Proposals at General Meetings *(continued)*

(ii) (continued)

(3) Such request(s) has to be sent by the shareholders who have a relevant right to vote and fulfill the conditions below:

(a) Shareholders representing at least 2.5% of the total voting rights of all the shareholders who have a relevant right to vote; or

(b) At least 50 shareholders.

Relevant right to vote means:

(a) In relation to a statement with respect to a matter mentioned in a proposed resolution, a right to vote on that resolution at the meeting to which the requests relate;

(b) In relation to any other statement, a right to vote at the meeting to which the requests relate; and

(c) In relation to notice of a resolution, a right to vote on the resolution at the annual general meeting to which the requests relate.

(4) Such request(s):

(a) May be sent to the Company in hard copy form or in electronic form;

(b) Must identify the statement (or notice, in the case of annual general meeting) to be circulated;

(c) Must be authenticated by the person or persons making it; and

(d) Must be received by the Company:

(aa) at least 7 days before the general meeting to which it relates; and

(bb) not later than 6 weeks before the annual general meeting to which the requests relate; or if later, not later than the time at which notice of that meeting is given.

Enquiries to the Board

The "Corporate Information" of this annual report provides the registered address of the Company and the email address, fax number and telephone number of the Investor Relations team to facilitate the shareholders of the Company to address their concerns or enquiries to the Board at any time. Please mark for the attention of the Company Secretary in the incoming letters or e-mails.

AUDITOR'S REMUNERATION

For the year ended 31 December 2024, fees for audit services and non-audit services payable to the external auditor of the Company amounted to approximately RMB11,419,000 and RMB1,320,000 respectively. Fee payable for the non-audit services included but not limited to the professional services rendered in connection with results announcement, continuing connected transactions, ESG reporting advisory services and tax services etc.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's articles of association during the year ended 31 December 2024, and a consolidated version is available on the websites of the Company and the Hong Kong Stock Exchange.

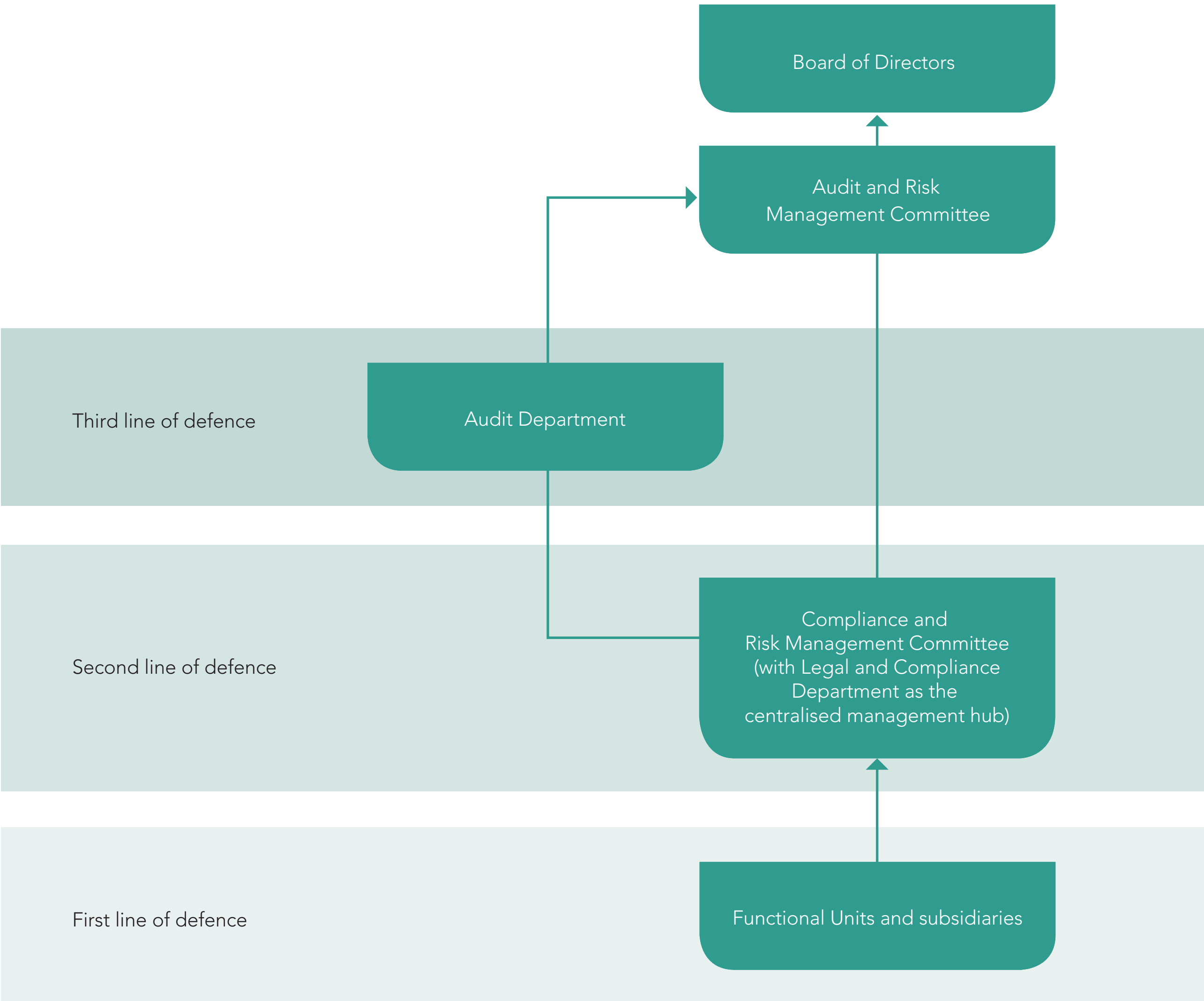
Risk Management and Internal Controls Report

The Board acknowledges that risk is inherent in our business and the markets in which we operate, and we undertake and monitor risk in pursuit of our strategic and business objectives. We aim to establish an effective risk management and internal control systems and culture to safeguard the Company's assets and the interests of shareholders for the long-term development of the Company, to ensure that reliable financial information will be provided to management and to ensure that risks affecting significant investments and business of the Company can be identified and properly managed so that they can be minimised, transferred or avoided. However, risk management and internal control systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives, and it can only provide reasonable, but not absolute, assurance against material misrepresentation or loss.

RISK MANAGEMENT STRUCTURE

We continue to maintain a structured approach to risk management, mindful that evolution and refinement are needed to adapt to an ever-changing environment.

The Company's current risk management structure is guided by the principle of "three lines of defence" which aims at carrying out risk assessment and risk monitoring for various sectors, embedding risk management into business processes, monitoring and making timely adjustment to risk management procedures:



Risk Management and Internal Controls Report (continued)

RISK MANAGEMENT STRUCTURE *(continued)*

Board of Directors

The Board has the overall responsibility for establishing and maintaining appropriate and effective risk management and internal control systems. Its principal duties include:

- evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives
- oversee and review the adequacy and effectiveness of the risk management and internal control systems on an ongoing basis

Audit and Risk Management Committee

The Audit and Risk Management Committee is delegated with the authority from the Board to oversee the risk management and internal control systems at the Board level. Its principal duties include:

- oversee the design, implementation and monitoring of the risk management and internal control systems
- consider major investigation findings on risk management and internal control matters
- discuss with management on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function
- review the adequacy and effectiveness of the risk management and internal control systems twice a year and report to the Board
- provide market insights and advices to the Board in relation to the Group's risks and internal control

Third Line of Defence — Audit Department

The Audit Department assists the Audit and Risk Management Committee in assessing the risk management and internal control systems. Its principal duties include:

- draw up the audit plan and perform regular independent review of the risk management and internal control systems
- review key risk areas and put forward any risk action plans for implementation by the relevant business units concerned
- report to the Audit and Risk Management Committee and the Board on the Group's overall risk position and key exposures, the actions planned or taken by the management, and major emerging risks that require specific attention
- provide independent assurance to the Audit and Risk Management Committee and the Board as to the adequacy and effectiveness of the Company's risk management and internal control systems

Risk Management and Internal Controls Report (continued)

RISK MANAGEMENT STRUCTURE *(continued)*

Second Line of Defence
— Compliance and Risk Management Committee ("CRMC")
— Legal and Compliance Department

CRMC is chaired by the Chief Executive Officer and made up of members from the senior management. Its principal duties include:

- review the mitigation measures for major compliance issues and risk matters
- discuss and determine other major compliance and risk related matters

Legal and Compliance Department serves as the centralised hub for risk management within the organisation. Its principal duties include:

- organise the drafting of risk management policies, as well as establishing and updating specific policies and risk factor database tailored to the Company's evolving needs
- coordinate the Company's annual major risk assessment, prepare and publish the annual major risk assessment report, and oversee the progress of preventive measures and controls for identified major risks
- facilitate the collection and reporting of significant risk events within the Company, and follow up and supervise the response to these events
- manage daily risk management-related matters for CRMC

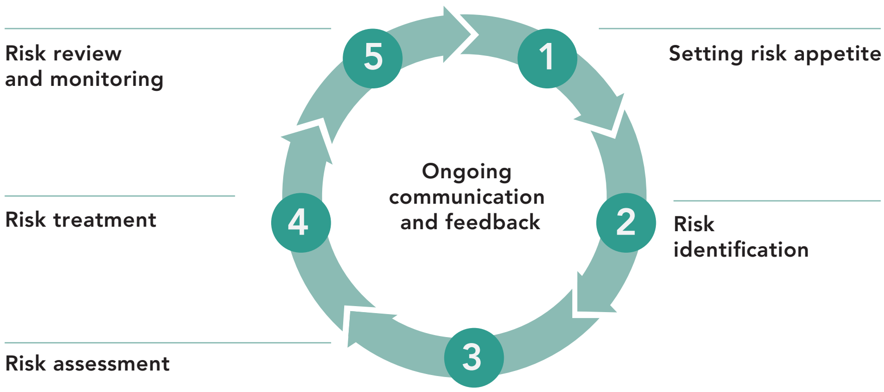
First Line of Defence
— Functional Units and subsidiaries

Functional units and subsidiaries act as the risk owners. Its principal duties include:

- identify, evaluate, monitor and mitigate risk areas within their scope of operations
- formulate risk mitigation measures
- execute all proper risk management, mitigation measures and actions as required to protect the Group's interest and efficacy of business performance
- ensure the effectiveness of risk management system and mitigation strategies

RISK MANAGEMENT PROCESS

The risk management process is embedded in our day-to-day operations. The diagram below provides an overview of the risk management process (which includes risk appetite, identification, assessment, treatment, review and monitoring) that allows the Company to maintain an appropriate risk culture to support operations and support the Board in complying with the obligations under the Listing Rules. This is an ongoing process with regular monitoring, review and reporting to the Audit and Risk Management Committee and the Board.



Risk Management and Internal Controls Report (continued)

RISK MANAGEMENT STRUCTURE *(continued)*

Risk appetite

Taking into account the internal and external environment, the Company's strategic objective, business planning, risk management principles and culture, an appropriate risk management approach is adopted after identifying the potential internal and external risks that may arise in relation to the Company's business, in which a risk-averse, risk-seeking, risk-control and risk-transfer strategies might be adopted.

Risk identification

Risk identification is the cornerstone to risk assessment and treatment. Our risk management framework with both "top-down" and "bottom-up" approaches allows the Company to identify the inherent and emerging risks at both strategic and operational levels based on the internal and external environment, the Company's development objectives, significant business operation procedures and the history of the Company's major risks and issues.

Our potential risks in critical business areas are categorised into six main areas: external market, strategic, operational, financial, regulatory and ESG (including climate-related risks). A comprehensive list of risks and opportunities at both operational level and group level can be developed.

Risk assessment

Identified risks and opportunities are assessed and analysed in two dimensions: (i) impact to the Group's finances, operations, regulatory compliance, reputation and relationships with customers and suppliers; and (ii) likelihood of occurrence, based on the predefined risk assessment standard which covers both qualitative and quantitative elements.

The risks and opportunities will be analysed by each business and functional units who will consider and prioritise the risks according to the risk ratings. For risks that might have more significant impact, such risks will be escalated to CRMC for re-assessment.

Risk treatment

Based on the analysis results, risk management plans and mitigation measures will be explored and developed to mitigate risks to acceptable levels taking into account all relevant costs and benefits, and presented to CRMC for review and approval.

Risk review and monitoring

CRMC reviews the risk register and risk management plans submitted by each functional unit and subsidiary, and monitor the implementation of reasonable risk mitigation measures and monitor how the material risks are changing over time. Adequate risk-related information will be reported to the Board and the Audit and Risk Management Committee through the Audit Department on a regular basis.

RISK CULTURE

The Board recognises the importance of an effective risk management system and is committed to promote a risk-aware culture throughout the Company that integrates risk management into the course of business operation of the Company and entrenches risk management in the organisational operation and the process of achieving the business goal. In the meantime, through regular training, risk management has been integrated into our business routine. The Group strives to continually enhance its risk management framework in order to keep pace with the dynamic business environment.

Risk Management and Internal Controls Report (continued)

PRINCIPAL RISKS OF THE GROUP

Principal risks faced by, and key control measures taken by the Group during the year are summarised below:

	Risk	Risk description	Key risk control measures
1.	Macroeconomic risk	Global economy faces the risk of recession, and intensified geopolitical conflicts contribute to a bleak economic outlook.	• continuously monitor the global and Chinese mainland economic situations and respond with appropriate strategies in a timely manner • maintain disciplined investment, focus on selecting quality assets in higher-tier cities and make precise investments • sustain the Company's financial soundness and strong cost advantage, maintain low gearing ratio and achieve positive operating cash flow
2.	Market risk	The domestic real estate market still faces the challenge of triple pressure from shrinking demand, disrupted supply and weakening expectations.	• continuously make targeted and lean investments and execute precise management • adhere to the "three-in-one" strategy of investment research, customer research and product research which enables precise product positioning and allocation, while continuously improving product competitiveness • enhance the sales and marketing strategy and management in order to expedite the return in contracted sales
3.	Operational risk	Rising construction cost and labour cost, declining profitability in property development sector.	• actively seize opportunity of realignment in the industry and explore new investment opportunities • tailor a city-specific product strategy to meet local customer needs and to enhance competitiveness • implement strong cost control: lower construction costs through strategic procurement and competitive bidding • enhance the Company's international credit ratings, reflecting international rating agencies' full affirmation of the Group's smooth capital pipeline, sound business fundamentals, and robust ability to sustain development during an industry downturn
4.	Exchange rate risk	Renminbi exchange rate fluctuation.	• keep monitoring the exchange rate, continuously follow up the volatility of RMB exchange rate • optimise the ratio of RMB and foreign currency debt as and when appropriate • review and explore different financing tools to minimise the foreign exchange risk
5.	Policy risk	Change of government policies and regulations on the property sector.	• closely follow up with Chinese mainland and overseas government policies • review cautiously Chinese mainland and overseas operations to minimise political and regulatory risks and its impact

Risk Management and Internal Controls Report (continued)

INTERNAL CONTROL SYSTEM

Alongside the risk management process, key components of the Group's internal controls environment include:

(i) Appropriate corporate governance structure and rules of procedures have been established to define responsibilities and authorities of decision making, executing, and supervising, and therefore, to form a clear division of duties and check and balance mechanism.

(ii) A diverse range of internal control policies and procedures have been deployed to help ensure efficient and effective operations in our growing business units and functions. Each functional department of the Company has its business management code, operation guidelines and post manual based on business needs. They also use necessary control mechanisms to ensure that employees are clear about and exercise authority properly.

(iii) A comprehensive budget management has been established to allow the Company to ascertain responsibility and authority for each business unit in budget management and regulates the preparation, review and execution program of budget. The budget will be re-assessed semi-annually with reference to the business performance, business needs and strategy and significant risk and opportunities.

(iv) A standardised accounting procedures and a specific business audit system have been maintained to guarantee the authenticity and integrity of accounting data and information for disclosure and reporting purposes. There are regular management reports on the Group's cash, liquidity and borrowings so that cash flow position of the Company is closely monitored.

(v) Information technology has been applied to enhance the Company's internal monitoring capability, and establish a compatible information system on operation and management, thus, leveraged on effective combination with internal monitoring process, to achieve the purpose of reducing or eliminating the artificial control factors.

(vi) Each regional office of the Company is required to assign a compliance officer responsible for overseeing compliance issues within their respective region. The Company has implemented an electronic approval system that ensures all matters are approved according to established processes and all approval processes and documents are retained within the system. The responsible regional offices and headquarters departments are obligated to verify the compliance of submitted projects and contracts through this system.

The Audit Department has been established to conduct internal audit of the Company and its subsidiaries, joint ventures and associated companies, and assist the Audit and Risk Management Committee and the Board to provide an independent review of the risk management and internal control systems. It also monitors the effectiveness and adequacy of internal control, makes remediation suggestions to the management of the Company on identified deficiencies in the design and implementation, and supervise the management to make and implement remediation plans. The Audit Department regularly reviews the operation of the risk management and internal control systems of the Company and submits review report to the Audit and Risk Management Committee and the Board on a half-yearly basis.

The Audit and Risk Management Committee, based on the report from the Internal Audit, reviews and assesses the risks of the Company and the control measures to be taken and reviews the effectiveness of the risk management and internal control systems. It will also carry out research on important findings regarding risk management and internal control matters and the response from management to the findings, and report any deficiency of the control systems and corresponding suggestions for improvement to the Board. In addition, the external auditors host regular discussion with the Audit and Risk Management Committee on any internal control problem identified in the course of the audit.

Risk Management and Internal Controls Report (continued)

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

In 2024, the Company is committed to further strengthening its risk management by refining the business management process and reinforcing the responsibilities of each business and functional unit as the "first line of defence". This initiative includes the launch of various protocols and guidelines for regional subsidiaries, as well as publication of a risk events casebook to enhance understanding and awareness of risk management practices. By fostering a robust risk culture, the Company aims to empower all employees to identify and address potential risks proactively, thereby ensuring a resilient and informed organisation.

In addition, the Audit Department conducted a comprehensive review of the internal control system. Through a systematic analysis of various business workflows, process flowcharts for five key areas: internal auditing, rectification, accountability, internal control and other operations, have been standardized. This effort strengthens the integration of policy execution with business processes and enhances the standardization of audit operations, promoting greater efficiency and effectiveness across the Group.

With the support of the Audit and Risk Management Committee, the Board reviewed the effectiveness and adequacy of the risk management and internal control systems of the Company and its subsidiaries, including financial report, operation and regulation compliance on a half-yearly basis, and considered that the systems are effective and efficient. During the year, no material deficiency of the systems was found, and the Company has rectified any deficiency in its control (if any) which might exist. The Board believes that the systems are operating effectively and various risks that may affect the Company's achievement of goals are under control.

The Board also reviewed and considered that the resources, professional qualification and experience of the staff of the accounting, internal audit, financial reporting functions and ESG performance and reporting of the Company as well as training programs and budget in 2024 were sufficient.

WHISTLEBLOWING POLICY

The Group has put in place the Whistleblowing Policy which sets out the principles and procedures for all the employees of the Group and those who deal with the Group (including but not limited to customers, suppliers and business partners) to raise concerns in confidence and anonymity to the Audit and Risk Management Committee about possible improprieties in any matter related to the Group. Proper arrangements are established for fair and independent investigation of these matters and for appropriate follow-up actions.

Risk Management and Internal Controls Report (continued)

ANTI-CORRUPTION POLICIES

The Company is committed to high standards of ethics, honesty and integrity. We have a zero-tolerance approach to any form of bribery and corruption. Various anti-corruption policies have been set up to strengthen anti-corruption awareness within the Company and among our business partners through codes, agreements, policies, systems and regular training.

The anti-corruption policies outline the Company's principles, code of conducts, requirements relating to anti-corruption, conflict of interest, confidentiality of information, anti-competitive practices, anti-discrimination and other irregularities as well as the reporting channel for any suspected or actual cases. All employees are required to sign and commit the Work Integrity Responsibility Statement every year. Training related to anti-corruption was also regularly provided to the employees so as to deepen employees' understanding of anti-fraud and corruption.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company has established the Inside Information Disclosure Policy to:

- ensure that any potential inside information is promptly identified and reported to the Executive Committee of the Company who will make timely decisions on disclosure of inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance and the Listing Rules;

- conduct its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission;

- establish preventive controls and reporting mechanism as well as external communication guidelines applicable to confidential or unpublished inside information in relation to the Group and its securities;

- set out restrictions in securities dealing by senior managers, and other nominated managers and staff who, because of their respective positions in the Company, are likely to be in possession of inside information regarding the Company and its securities in compliance with the Model Code for Securities Transactions by Directors set out in Appendix C3 to the Listing Rules; and

- provide regular training to all employees to help understand the Company's Inside Information Disclosure Policy as well as their duties and obligations in relation to the inside information.

Report of Directors

The directors of the Company (the "Directors") present the annual report and the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATION

The Group is principally engaged in property development, commercial property operations and other businesses. The activities of the Company's principal subsidiaries, associates and joint ventures are set out in notes 43, 18 and 19 respectively to the financial statements.

An analysis of the Group's performance by segment is set out in note 8 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Company as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing by the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" as set out on pages 14 to 54 of this annual report.

In addition, discussions on the Group's environmental policies and performance and compliance with the relevant laws and regulations and an account of the Group's key relationships with its employees, customers, suppliers and stakeholders, that have a significant impact on the Group can be found in the section headed "Sustainable Development" as set out on pages 63 to 69 of this annual report and in the Company's 2024 Environmental, Social and Governance Report published in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 131 and 132 of this annual report respectively.

An interim dividend of HK30 cents per share (2023: HK35 cents per share) was paid on 4 October 2024. The board of Directors (the "Board") recommends the payment of a final dividend of HK30 cents per share (2023: HK45 cents per share) to shareholders whose names appear on the Register of Members of the Company on 25 June 2025. Together with the interim dividend of HK30 cents per share, dividends for the year will amount to a total of HK60 cents per share (2023: HK80 cents per share). Subject to the approval of the shareholders at the forthcoming annual general meeting, the final dividend will be payable on 17 July 2025.

SHARE CAPITAL

The total number of shares of the Company in issue (the "Shares") as at 31 December 2024 was 10,944,883,535 ordinary Shares.

Details of movements in the share capital of the Company during the year are set out in note 30 to the financial statements.

Report of Directors (continued)

RESERVES

Movements during the year in the reserves of the Group and of the Company (including but not limited to distributable reserves) are set out in the consolidated statement of changes in equity on pages 135 and 136 of this annual report and note 42 to the financial statements respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 8 of this annual report.

MAJOR PROPERTIES

Details of the major property development projects and commercial properties of the Group at 31 December 2024 are set out on pages 36 to 38 and pages 43 to 46 of this annual report.

TANGIBLE FIXED ASSETS

The Group's investment properties were revalued at the reporting date. The revaluation resulted in a net increase in fair value of RMB417,316,000 which has been credited directly to the consolidated income statement.

Details of the movement in investment properties and movements in property, plant and equipment of the Group during the year are set out in notes 17 and 16 respectively to the financial statements.

EQUITY-LINKED AGREEMENTS

For the year under review, save for the Share Option Scheme (as defined in the section headed "Share Option Scheme" in this report with details set out thereto) adopted by the Company on 11 June 2018, the Company did not enter into any equity-linked agreement.

Report of Directors (continued)

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

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

Issue of Listed Securities

The following securities were issued by the wholly-owned subsidiaries of the Company during the year. The net proceeds are used to repay the existing indebtedness of the Group.

Name of subsidiary	Securities	Issue date	Due date	Principal amount *(RMB'000)*	Coupon rate per annum	Name of stock exchange/ market on which the securities are listed/issued
China Overseas Development Group Co., Ltd.* ("China Overseas Development")	2024 corporate bonds					Shenzhen Stock Exchange
	(i) First tranche (Type II)	23 April 2024	24 April 2029	3,000,000	2.68%	
	(ii) Second tranche (Type I)	27 November 2024	28 November 2029	1,600,000	2.35%	
	(iii) Second tranche (Type II)	27 November 2024	28 November 2034	1,400,000	2.70%	
China Overseas Development	2024 medium-term notes					National Interbank Bond Market
	(i) First tranche (Type I)	22 January 2024	24 January 2027	1,500,000	2.80%	
	(ii) First tranche (Type II)	22 January 2024	24 January 2029	1,500,000	3.05%	

Redemption of Listed Securities

The following securities were redeemed by the wholly-owned subsidiaries of the Company during the year:

Name of subsidiary	Securities	Issue date	Redemption date	Redemption value *(RMB'000)*	Remaining value *(RMB'000)*
Beijing China Overseas Plaza Commercial Development Ltd.*	(i) RMB1,001 million at coupon rate of 3.85%	(i) 23 March 2021	(i)-(ii) Principal amount with interest payable will be repaid in instalments in May and November each year	(i) 999,200#	(i) Nil
	(ii) RMB2,101 million at coupon rate of 3.60%	(ii) 23 June 2021		(ii) 2,000,200#	(ii) Nil
	(iii) RMB1,901 million at coupon rate of 3.50%	(iii) 10 November 2021	(iii)-(iv) Principal amount with interest payable will be repaid in instalments in February and August each year	(iii) 1,886,180 #	(iii) Nil
	(iv) RMB5,001 million at coupon rate of 3.35%	(iv) 29 March 2022		(iv) 4,986,000 #	(iv) Nil
	Commercial mortgage-backed securities listed on the Shenzhen Stock Exchange				

* *English translation for identification purpose only*

\# *included equity class securities of RMB1 million wholly subscribed by Beijing China Overseas Plaza Commercial Development Ltd.*

Report of Directors (continued)

PURCHASE, SALE OR REDEMPTION OF THE GROUP'S LISTED SECURITIES *(continued)*

Redemption of Listed Securities *(continued)*

Name of subsidiary	Securities	Issue date	Redemption date	Redemption value *(RMB'000)*	Remaining value *(RMB'000)*
China Overseas Development	RMB1,500 million at coupon rate of 3.35% medium-term notes which were listed on the National Interbank Bond Market	15 January 2021	15 January 2024	1,500,000	Nil
China Overseas Development	RMB1,500 million at coupon rate of 3.75% corporate bonds which were listed on the Shenzhen Stock Exchange	24 January 2019	24 January 2024	1,500,000	Nil
China Overseas Development	RMB2,000 million at coupon rate of 3.25% corporate bonds which were listed on the Shenzhen Stock Exchange	15 June 2021	15 June 2024	2,000,000	Nil
China Overseas Development	RMB2,000 million at coupon rate of 3.25% corporate bonds which were listed on the Shenzhen Stock Exchange	12 July 2021	12 July 2024	2,000,000	Nil
China Overseas Development	RMB1,700 million at coupon rate of 3.08% corporate bonds which were listed on the Shenzhen Stock Exchange	25 November 2021	25 November 2024	1,700,000	Nil
China Overseas Development	RMB1,300 million at coupon rate of 2.98% corporate bonds which were listed on the Shenzhen Stock Exchange	20 December 2021	20 December 2024	1,300,000	Nil
China Overseas Finance (Cayman) VI Limited	US$700 million at coupon rate of 5.95% guaranteed notes which were listed on the Hong Kong Stock Exchange	8 May 2014	8 May 2024	4,989,446	Nil
China Overseas Finance (Cayman) VIII Limited	US$300 million at coupon rate of 2.375% guaranteed notes which were listed on the Hong Kong Stock Exchange	2 March 2020	30 August 2024	13,884	2,156,857
China Overseas Finance (Cayman) VIII Limited	HK$2,000 million at coupon rate of 2.90% guaranteed notes which were listed on the Hong Kong Stock Exchange	15 July 2019	2 September 2024 and 19 December 2024	1,874,870	Nil

Details of the above securities (including the carrying amount) are set out in the relevant announcements of the Company and note 32 to the financial statements.

Report of Directors (continued)

BORROWINGS AND INTEREST CAPITALISED

Analysis of bank and other borrowings, guaranteed notes and corporate bonds and interest capitalised are set out in notes 31, 32 and 10 respectively to the financial statements.

DIRECTORS

(a) Directors of the Company

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Yan Jianguo
Mr. Luo Liang *(retired w.e.f. 29 August 2024)*
Mr. Zhang Zhichao
Mr. Guo Guanghui

Non-executive Directors

Mr. Zhuang Yong
Mr. Zhao Wenhai *(resigned w.e.f. 22 January 2025)*
Mr. Ma Yao *(appointed w.e.f. 22 January 2025)*

Independent Non-executive Directors

Mr. Li Man Bun, Brian David
Professor Chan Ka Keung, Ceajer
Dr. Chan Ching Har, Eliza

Mr. Luo Liang retired as an Executive Director of the Company on reaching retirement age and Mr. Zhao Wenhai resigned as a Non-executive Director of the Company due to other work arrangements. Both Mr. Luo and Mr. Zhao confirmed that they have no disagreement with the Board and there is no other matter relating to their retirement or resignation that needs to be brought to the attention of the shareholders of the Company.

In accordance with article 105(1) of the Company's articles of association, Mr. Guo Guanghui, Mr. Zhuang Yong and Mr. Li Man Bun, Brian David shall retire by rotation at the forthcoming annual general meeting to be held on 25 June 2025 ("2025 AGM") and, being eligible, offer themselves for re-election.

In accordance with article 96 of the Company's articles of association, Mr. Ma Yao shall hold office until 2025 AGM and shall be subject to re-election.

The term of office for each Independent Non-executive Director is the period up to his/her retirement by rotation in accordance with the Company's articles of association.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers the Independent Non-executive Directors to be independent.

No Director proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

Report of Directors (continued)

DIRECTORS *(continued)*

(b) Directors of the subsidiaries of the Company

The list of directors of the subsidiaries of the Company during the year and up to the date of this report is available on the Company's website at http://www.coli.com.hk under the "Corporate Governance" section.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Information regarding Directors' emoluments and senior management's emoluments are set out in notes 13 and 41(b) to the financial statements respectively, and the section headed "Remuneration Committee" on page 87 of the Corporate Governance Report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 56 to 62 of this annual report.

SHARE OPTION SCHEME

The share option scheme was approved and adopted by the shareholders of the Company on 11 June 2018 (the "Share Option Scheme") to enable the qualifying grantees to acquire ordinary Shares of the Company and unless otherwise cancelled or amended, it will remain in force for 10 years from 11 June 2018. The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group's businesses, to provide additional incentives to the qualifying grantees (being, among others, any employee of the Group or such other persons that have contributed to the Group as specified in the Share Option Scheme) that have contributed to the Group, and to promote the long term financial success of the Group by aligning the interests of share option holders with shareholders of the Company.

The limit on the number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No share options may be granted under any scheme of the Company if this will result in the limit being exceeded.

The number of Shares in respect of the share options that may be granted according to the Share Option Scheme (the "Share Options") shall not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme (i.e. 11 June 2018). On the basis of 10,956,201,535 Shares in issue as at 11 June 2018, this would be 1,095,620,153 Shares.

Report of Directors (continued)

SHARE OPTION SCHEME *(continued)*

The number of Share Options available for grant under the Share Option Scheme at the beginning and the end of the financial year 2024 was 754,705,153 and 811,397,653 respectively. No Share Options were granted during the year 2024. As at the date of this Annual Report, the total number of Shares in the capital of the Company available for issue under the Share Option Scheme is 811,397,653 Shares which represented approximately 7.41% of the total issued share capital of the Company at that date.

Unless otherwise approved by the shareholders of the Company in a general meeting, the number of Shares issued and to be issued upon exercise of the Share Options (whether exercised or outstanding) granted to each of the eligible persons in any 12-month period shall not exceed 1% of the Shares in issue.

Unless otherwise approved by the shareholders of the Company in a general meeting, no Share Options may be granted to any substantial shareholder of the Company, Independent Non-executive Directors or their respective associates, that would result in the Shares issued or to be issued to such person in the 12-month period up to and including the date of Board meeting proposing for the grant (i) in aggregate exceeding 0.1% of the Shares in issue from time to time; and (ii) in aggregate exceeding HK$5 million based on the closing price of the Shares at the date of the Board meeting proposing for such grant.

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option, but shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The period within which the Shares must be taken up under a Share Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 6 years from the date of grant of the relevant Share Option.

The minimum period, if any, for which a Share Option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The Share Option Scheme itself does not specify any minimum holding period.

HK$1.00 is payable by each of the Share Option holders to the Company on the acceptance of the offer of the Share Option. The period within which payments or calls must or may be made should be 28 days after the offer date of a Share Option or such period as the Directors may determine.

The life of the Share Option Scheme is 10 years commencing on 11 June 2018 and expiring on 10 June 2028.

Other details of the Share Option Scheme are set out in Appendix III to the circular published by the Company on 16 April 2018.

Report of Directors (continued)

SHARE OPTION SCHEME *(continued)*

During the year, details of the movements of the Share Options under the Share Option Scheme are as follows:

Participants	Date of grant	Subscription Price HK$ (per Share)	Exercise Period (Note a)	Number of Share Options: Balance as at 1 January 2024	Granted	Exercised	Cancelled (Note b)	Lapsed (Note c)	Balance as at 31 December 2024
Directors									
Mr. Yan Jianguo	29.06.2018	25.85	29.06.2020 to 28.06.2024	466,000	–	–	–	(466,000)	–
	24.11.2020	18.724	24.11.2022 to 23.11.2026	600,000	–	–	(600,000)	–	–
Mr. Luo Liang *(retired w.e.f. 29 August 2024)*	29.06.2018	25.85	29.06.2020 to 28.06.2024	466,000	–	–	–	(466,000)	–
	24.11.2020	18.724	24.11.2022 to 23.11.2026	534,000	–	–	(534,000)	–	–
Mr. Zhang Zhichao	29.06.2018	25.85	29.06.2020 to 28.06.2024	366,000	–	–	–	(366,000)	–
	24.11.2020	18.724	24.11.2022 to 23.11.2026	534,000	–	–	(534,000)	–	–
Mr. Guo Guanghui	29.06.2018	25.85	29.06.2020 to 28.06.2024	400,000	–	–	–	(400,000)	–
	24.11.2020	18.724	24.11.2022 to 23.11.2026	434,000	–	–	(434,000)	–	–
Mr. Zhuang Yong	29.06.2018	25.85	29.06.2020 to 28.06.2024	400,000	–	–	–	(400,000)	–
	11.11.2021	18.70	11.11.2023 to 10.11.2027	1,067,000	–	–	(1,067,000)	–	–
Other employees and related entity participants	29.06.2018	25.85	29.06.2020 to 28.06.2024	51,079,500	–	–	–	(51,079,500)	–
	24.11.2020	18.724	24.11.2022 to 23.11.2026	79,554,000	–	–	(76,293,000)	(3,261,000)	–
	11.11.2021	18.70	11.11.2023 to 10.11.2027	3,530,000	–	–	(3,276,000)	(254,000)	–
				139,430,500	–	–	(82,738,000)	(56,692,500)	–

Notes:

(a) *Exercise of the Share Options is conditional upon the achievement of certain individual performance targets of each eligible person and certain financial performance targets of the Company as determined by the Board.*

(b) *Share Options were cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme.*

(c) *Share Options lapsed upon the resignation of certain eligible persons or the end of the period during which the Share Options are exercisable.*

Further details of the Share Option Scheme are set out in note 30 to the financial statements.

Report of Directors (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2024, the interests and short positions of the Directors, the chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long Positions in Shares of the Company

Name of Director	Capacity	Nature of interests	Number of Shares held	% of Shares in issue *(Note)*
Mr. Li Man Bun, Brian David	Beneficial owner	Personal	5,660,000	0.0517%

Note: *The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 31 December 2024.*

(b) Long Positions in Shares and Underlying Shares of the Associated Corporations

(all being personal interest and being held in the capacity of beneficial owner)

Name of associated corporation	Name of Director	Number of shares held	% of shares in issue *(Note)*
China State Construction Engineering Corporation Limited ("CSCECL")	Mr. Guo Guanghui	210,000	0.001%
China State Construction Development Holdings Limited	Mr. Zhang Zhichao	2,984,000	0.132%
China Overseas Property Holdings Limited	Mr. Li Man Bun, Brian David	1,820,000	0.055%
China Overseas Grand Oceans Group Limited ("COGO")	Mr. Zhuang Yong	800,825	0.022%

Note: *The percentage represents the number of shares interested divided by the number of shares of the related associated corporation in issue (as the case may be) as at 31 December 2024.*

(c) Long Positions in Debentures of the Associated Corporations

Mr. Zhuang Yong in his capacity as a beneficial owner had personal interests in a nominal amount of US$900,000 in the 5.35% Guaranteed Notes due 2042 issued by China Overseas Finance (Cayman) V Limited, a wholly-owned subsidiary of the Company.

Report of Directors (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES *(continued)*

Save as disclosed above, as at 31 December 2024, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein.

Save as disclosed above and in the section headed "Share Option Scheme", none of the Directors and the chief executive of the Company (including their spouses and children under the age of 18) had, at no time during the year ended 31 December 2024, any interest in, or had been granted any right to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and in note 30 to the financial statements, at no time during the year, the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, during the year and up to the date of this report, the following Directors declared interests in the following entities which compete or are likely to compete, either directly or indirectly, with the businesses of the Company:

Mr. Yan Jianguo, the Chairman and Executive Director of the Company, is also the Chairman of China Overseas Holdings Limited ("COHL") and the Non-executive Director of CSC. Mr. Zhang Zhichao, the Executive Director and the Chief Executive Officer of the Company, is also a director of COHL. Mr. Zhuang Yong, the Vice Chairman and Non-executive Director of the Company, is also a director of COHL and the Chairman and Executive Director of COGO. Mr. Guo Guanghui, the Executive Director of the Company, was a Non-executive Director of COGO (ceased on 22 April 2024). COHL, COGO and CSC are engaged in construction, property development and related businesses.

The entities in which the above Directors had declared interests are managed by separate boards of directors and management, which are accountable to their respective shareholders. In addition, the Board includes three Independent Non-executive Directors and one Non-executive Director (other than Mr. Zhuang Yong) whose views carry significant weight in the Board's decisions. The Audit and Risk Management Committee of the Company, which consists of three Independent Non-executive Directors, meets regularly to assist the Board in reviewing the financial performance, internal control, risk management and compliance systems of the Company and its subsidiaries. The Company is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which the Directors had declared interests.

Report of Directors (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests and short positions of the substantial shareholders and other persons of the Company in the Shares and underlying Shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Name of Shareholder	Capacity	Number of Shares held *(Long Position)*	% of Shares in issue *(Note 1)*
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	521,264,928	4.76%
COHL *(Note 2)*	Beneficial owner	5,618,894,255	51.34%
	Interest of controlled corporation	521,264,928	4.76%
CSCECL *(Note 3)*	Interest of controlled corporation	6,140,159,183	56.10%
China State Construction Engineering Corporation ("CSCEC") *(Note 3)*	Interest of controlled corporation	6,140,159,183	56.10%
Complete Noble Investments Limited ("Complete Noble") *(Notes 4 and 5)*	Beneficial owner	1,095,620,154	10.01%
Affluent East Investments Limited ("Affluent East") *(Notes 4 and 5)*	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Limited ("CITIC") *(Notes 4 and 5)*	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Glory Limited ("CITIC Glory") *(Note 5)*	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Polaris Limited ("CITIC Polaris") *(Note 5)*	Interest of controlled corporation	1,095,620,154	10.01%
CITIC Group Corporation ("CITIC Group") *(Note 5)*	Interest of controlled corporation	1,095,620,154	10.01%

Notes:

1. *The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 31 December 2024.*

2. *Silver Lot is a direct wholly-owned subsidiary of COHL, thus COHL is deemed by the SFO to be interested in Shares of the Company in which Silver Lot is or is taken to be interested.*

3. *COHL is a direct wholly-owned subsidiary of CSCECL, which was in turn approximately 57% held by CSCEC. CSCECL and CSCEC are deemed by the SFO to be interested in Shares of the Company in which COHL is or is taken to be interested.*

4. *Complete Noble is a direct wholly-owned subsidiary of Affluent East, which in turn is a direct wholly-owned subsidiary of CITIC.*

5. *More than 50% of CITIC is held by CITIC Glory and CITIC Polaris, both of which are direct wholly-owned subsidiaries of CITIC Group, in aggregate. Accordingly, CITIC is an indirect non-wholly owned subsidiary of CITIC Group and Affluent East, CITIC, CITIC Glory, CITIC Polaris and CITIC Group are all deemed by the SFO to be interested in Shares of the Company in which Complete Noble is or is taken to be interested.*

Save as disclosed above, the Company had not been notified by any other person (other than the Directors or the chief executive of the Company) who had an interest or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 December 2024.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP

Definitions

In this section, the following expressions have the following meanings unless the context requires otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, being a controlling shareholder of the Company, COPL, CSC and CSCD
"Company"	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 688)
"COPL"	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2669)
"COPL Group"	COPL and its subsidiaries from time to time
"CSC"	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3311)
"CSC Group"	CSC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
"CSC Minority Controlled Group"	companies held as to 30% to 50% by the CSC Group, and their respective subsidiaries from time to time (excluding members of the Group and members of the CSC Group, respectively)
"CSCD"	China State Construction Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 830)
"CSCD Group"	CSCD and its subsidiaries from time to time
"CSCECL"	China State Construction Engineering Corporation Limited, a joint stock company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), being a controlling shareholder of COHL, the Company, COPL, CSC and CSCD
"CSCECL Connected Persons"	the associates of CSCECL, 30%-controlled companies held directly or indirectly by CSCECL and connected subsidiaries between CSCECL and the Company, and their respective subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies)) from time to time
"CSCECL Group"	CSCECL and its subsidiaries (excluding COHL, the Company, COPL, CSC, CSCD and their respective subsidiaries) from time to time
"Group"	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Macau"	the Macao Special Administrative Region of the PRC
"PRC"	the People's Republic of China, which for the purpose of this Annual Report excludes Hong Kong, Macau and Taiwan

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

CSCECL and COHL are controlling shareholders of the Company, COPL, CSC and CSCD. Thus, members of CSCECL Group, COHL, COPL Group, CSC Group and CSCD Group are connected persons of the Company, and that the transactions contemplated under various agreements in this section between members of the Group and members of each of CSCECL Group, COHL, COPL Group, CSC Group and CSCD Group constitute connected or continuing connected transactions of the Company under the Listing Rules.

During the year under review, the Group entered into the following connected transactions or continuing connected transactions which are exempted from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules or which have been approved by independent shareholders in pursuance of Rule 14A.36 of the Listing Rules:

(A) CONNECTED TRANSACTION

Formation of Joint Venture with China Construction Fourth Engineering Division Urban Development Investment Corp. Ltd. ("CCFED") in relation to land in Guangzhou, the PRC

On 15 December 2023, 廣州廣奧房地產發展有限公司 (Guangzhou Guangao Real Estate Development Company Limited) ("Guangao"), a wholly-owned subsidiary of the Company, and CCFED, a wholly-owned subsidiary of CSCECL, agreed to form a joint venture utilising 廣州啟瑞房地產開發有限公司 (Guangzhou Qirui Real Estate Development Company Limited), a wholly-owned subsidiary of Guangao. The purpose of the joint venture is to develop a piece of land situated at the northern side of Shangchong Fruit Tree Park, Haizhu District, Guangzhou, Guangdong Province, the PRC into a combination of residential and commercial properties (the "Guangzhou Project"). Upon completion, the joint venture was owned as to 90% and 10% by the Company and CCFED respectively.

The total capital commitment to the Guangzhou Project is approximately RMB13,700 million, to which Guangao and CCFED shall contribute approximately RMB12,330 million and RMB1,370 million respectively in proportion to their respective equity interests in the joint venture. The respective contribution to the total capital commitment to the Guangzhou Project was determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Guangzhou Project and the parties' interests in the joint venture.

Details of the transaction were disclosed in an announcement dated 15 December 2023 and a circular dated 12 January 2024. The abovementioned formation of joint venture with CCFED was duly approved by the independent shareholders of the Company at a general meeting held on 31 January 2024.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS

(1) CSCD Master Engagement Agreement

On 29 March 2021, the Company and CSCD entered into a master engagement agreement (the "CSCD Master Engagement Agreement"), pursuant to which the Group may invite the CSCD Group to participate in competitive tender for provision of contracting and engineering works, project management, supervision and consultancy services for the construction works of the Group as a contractor or service provider (as the case may be) from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCD Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2021 to 31 December 2021	HK$300 million
1 January 2022 to 31 December 2022	HK$300 million
1 January 2023 to 31 December 2023	HK$500 million
1 January 2024 to 30 June 2024	HK$150 million

Upon the expiry of the CSCD Master Engagement Agreement, the Company and CSCD entered into a new master engagement agreement on 29 April 2024, pursuant to which the Group may invite the CSCD Group to participate in competitive tender for provision of project supervision service for the property development projects of the Group in the PRC and provision of exterior façade works for the property development projects of the Group for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCD Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2024 to 31 December 2024	HK$505 million
1 January 2025 to 31 December 2025	HK$110 million
1 January 2026 to 31 December 2026	HK$660 million
1 January 2027 to 30 June 2027	HK$110 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcements of the Company dated 29 March 2021 and 29 April 2024.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS *(continued)*

(2) CSC Master Engagement Agreement

On 25 October 2022, the Company and CSC entered into a master engagement agreement, pursuant to which the Group may invite the CSC Group to participate in competitive tender as construction contractor for the Group's construction works in the PRC, Hong Kong and Macau from time to time for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the CSC Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2023 to 31 December 2023	HK$9,000 million
1 January 2024 to 31 December 2024	HK$9,000 million
1 January 2025 to 31 December 2025	HK$9,000 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcement of the Company dated 25 October 2022.

(3) CSCECL Master Engagement Agreement

On 31 March 2022, the Company and CSCECL entered into a master engagement agreement, pursuant to which the Group may invite the CSCECL Group to participate in competitive tender as construction contractor for construction related services such as building design, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators in the PRC from time to time for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the CSCECL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2022 to 31 December 2022	RMB12,000 million
1 January 2023 to 31 December 2023	RMB16,500 million
1 January 2024 to 31 December 2024	RMB9,500 million
1 January 2025 to 30 June 2025	RMB5,000 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcement of the Company dated 31 March 2022.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS *(continued)*

(4) COPL Services Framework Agreement

On 28 April 2023, the Company and COPL entered into a framework agreement, pursuant to which the Group may invite the COPL Group to participate in competitive tenders to provide the property management services and other services (the "Services") to the Group in respect of the property development projects or properties owned or held by the Group for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive) provided that the total contract sum that may be awarded to the COPL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2023 to 31 December 2023	HK$1,229 million
1 January 2024 to 31 December 2024	HK$3,078 million
1 January 2025 to 31 December 2025	HK$4,005 million
1 January 2026 to 30 June 2026	HK$2,719 million

The prices and terms of the tenders awarded by the Group are subject to the standard and systematic tender procedures maintained by the Group, details of which are set out in the announcement of the Company dated 28 April 2023.

(5) COPL Car Parking Spaces Framework Agreement

On 5 September 2022, the Company and COPL entered into a framework agreement (the "COPL Car Parking Spaces Framework Agreement"), pursuant to which the COPL Group may from time to time enter into transactions with the Group for the acquisition of rights-of-use of car parking spaces (the "Transactions"), situated in the developments or properties built, developed or owned by the Group and managed by the COPL Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both dates inclusive) provided that the total contract sum that may be awarded to the COPL Group does not exceed the corresponding cap as set out below.

Period	Cap
1 January 2023 to 31 December 2023	HK$600 million
1 January 2024 to 31 December 2024	HK$600 million
1 January 2025 to 31 December 2025	HK$600 million

To determine the sale price for each Transaction, the Group will obtain valuation from an independent third party property appraiser and will take into account the factors such as development cost, historical maintenance cost, ongoing management cost savings, terms of the Transactions and the qualifications of the purchaser. In any event, the sale price shall be no less favourable to the Group than that available to independent third party purchaser. For details of the COPL Car Parking Spaces Framework Agreement, please refer to the announcement of the Company dated 5 September 2022.

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS *(continued)*

(6) Financial Services Master Agreement

On 31 October 2022, the Company and 中建財務有限公司 (China State Construction Finance Limited*, "CSCF") (a subsidiary of CSCECL) entered into a master agreement (the "Financial Services Master Agreement"), pursuant to which CSCF agreed to provide the Group with deposit services, loan services, factoring services, and other financial services on a non-exclusive basis for a term of three years commencing from 1 November 2022 and ending on 31 October 2025 (both dates inclusive). The maximum daily deposit balance (including interests accrued thereon) of the aggregated deposits placed by the Group with CSCF shall not exceed RMB7,000 million for each day of the three years ending 31 October 2025. The aggregated factoring amounts for the account receivables to be granted by CSCF to the Group shall not exceed the corresponding cap as set out below.

Period	Cap
1 November 2022 to 31 December 2022	RMB300 million
1 January 2023 to 31 December 2023	RMB2,000 million
1 January 2024 to 31 December 2024	RMB2,000 million
1 January 2025 to 31 October 2025	RMB1,700 million

Details of the prices and terms of the Financial Services Master Agreement are set out in the announcement of the Company dated 31 October 2022.

(7) CSC Framework Agreement in relation to Supply of Materials

On 28 April 2021 and 3 May 2022, the Company and CSC entered into a framework agreement and a supplemental agreement respectively (collectively the "CSC Framework Agreement"), pursuant to which the CSC Group and the CSC Minority Controlled Group may invite the Group to participate in competitive tender as supplier for civil-works, electromechanical and renovation items, goods or materials (the "Materials") for construction project(s) of the CSC Group or the CSC Minority Controlled Group for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive) provided that the total contract sum that may be awarded to the Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2021 to 31 December 2021	RMB150 million
1 January 2022 to 31 December 2022	RMB1,000 million
1 January 2023 to 31 December 2023	RMB1,000 million
1 January 2024 to 30 June 2024	RMB500 million

* *English translation for identification purpose only*

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS *(continued)*

(7) CSC Framework Agreement in relation to Supply of Materials *(continued)*

Upon the expiry of the CSC Framework Agreement, the Company and CSC entered into a new framework agreement on 30 April 2024 for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive) provided that the total contract sum that may be awarded to the Group does not exceed the corresponding cap as set out below.

Period	Cap
1 July 2024 to 31 December 2024	RMB500 million
1 January 2025 to 31 December 2025	RMB1,200 million
1 January 2026 to 31 December 2026	RMB1,400 million
1 January 2027 to 30 June 2027	RMB900 million

The prices and terms of the tenders awarded to the Group are subject to the standard and systematic tender procedures maintained by the CSC Group or the CSC Minority Controlled Group (as the case may be), details of which are set out in the announcements of the Company dated 28 April 2021, 3 May 2022 and 30 April 2024.

(8) CSCECL Supply Chain Management Framework Agreement

On 11 December 2023, the Company and CSCECL entered into a framework agreement (the "CSCECL Supply Chain Management Framework Agreement"), pursuant to which 深圳領潮供應鏈管理有限公司 (Shenzhen Lingchao Supply Chain Management Co., Ltd.*) ("Shenzhen Lingchao", being a wholly-owned subsidiary of the Company) will provide, and CSCECL Group and CSCECL Connected Persons may engage Shenzhen Lingchao to provide, (i) supply chain management services including procurement of the Materials which can be provided by Shenzhen Lingchao; and/or (ii) supply chain consultation services, from time to time for the period commencing from 1 January 2024 and ending on 31 December 2026 (both dates inclusive) subject to the following caps as set out below:

Period	Cap
1 January 2024 to 31 December 2024	RMB2,500 million
1 January 2025 to 31 December 2025	RMB3,000 million
1 January 2026 to 31 December 2026	RMB3,500 million

Details of the prices and terms of the CSCECL Supply Chain Management Framework Agreement are set out in the announcement of the Company dated 11 December 2023.

* *English translation for identification purpose only*

Report of Directors (continued)

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP *(continued)*

(B) CONTINUING CONNECTED TRANSACTIONS *(continued)*

(9) CSCECL Lease Framework Agreement

On 28 April 2023, the Company and CSCECL entered into a framework agreement (the "CSCECL Lease Framework Agreement"), pursuant to which the CSCECL Group (as lessee) may lease properties (including but not limited to apartments, office premises, shops and car parking spaces etc.) from the Group from time to time for a term of three years commencing from 1 May 2023 and ending on 30 April 2026 (both dates inclusive) subject to the caps as set out below:

Period	Cap
1 May 2023 to 31 December 2023	RMB113 million
1 January 2024 to 31 December 2024	RMB180 million
1 January 2025 to 31 December 2025	RMB190 million
1 January 2026 to 30 April 2026	RMB67 million

Details of the prices and terms of the CSCECL Lease Framework Agreement are set out in the announcement of the Company dated 28 April 2023.

Annual review and confirmation regarding continuing connected transaction in accordance with Rule 14A.55 and 14A.56 of the Listing Rules

The Independent Non-executive Directors conducted annual review on the continuing connected transactions mentioned in this section and confirmed that those transactions were 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 the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company also engaged auditor to report on the Group's continuing connected transactions mentioned in this section 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 "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 issued an unqualified letter and confirmed that nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions mentioned in this section:

a. have not been approved by the Board;

b. were not, in all material respects, in accordance with the relevant agreements governing such transactions;

c. were not, in all material aspects, in accordance with the pricing policies of the Group; and

d. have exceeded the annual cap set by the Company.

The continuing connected transactions mentioned in this section also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions made during the year were disclosed in note 41 to the financial statements. Transactions under "Fellow subsidiaries" section of item (a) therein also constitute connected/continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned connected transactions or continuing connected transactions.

Report of Directors (continued)

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There is no transaction, arrangement or contract of significance subsisting during or at the end of the financial year 2024 in which the Directors or an entity connected with him/her is or was materially interested, either directly or indirectly.

INTEREST IN CONTRACTS OF SIGNIFICANCE

The transactions set out in paragraphs (B)(2), (B)(3), (B)(4), (B)(6), B(7) and (B)(8) of the section headed "Connected Transactions Entered Into By The Group" above are considered contracts of significance under paragraph 16 of Appendix D2 of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31 December 2024, the five largest customers and the five largest suppliers of the Group accounted for less than 30% of the Group's revenue and less than 30% of the Group's total purchases respectively.

EMOLUMENT POLICY, BASIS OF DETERMINING EMOLUMENT TO DIRECTORS AND RETIREMENT BENEFIT SCHEME

Subject to the compliance with relevant rules and regulations, the Company implements an emolument and benefit system comprised of basic salary, incentive bonus and employee benefits. The emolument and employee benefits are reviewed at appropriate time, with reference to both the annual survey on the industry's remuneration level and the Company's operating performance. The emoluments of the Directors are determined by reference to the industry's remuneration level, the Company's operating performance and the respective responsibilities and performances of the Directors. In addition, the Company set up the Share Option Scheme in 2018. The information of the scheme is set out separately in note 30 to the financial statements and the Report of Directors.

With effect from 1 December 2000, the Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. With effect from 1 January 2018, Employer Voluntary Contributions are made, under specific criteria set in the company policy, as a part of the employee benefits program. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to these schemes is to make the required contributions under the scheme. Details of these schemes are set out in notes 3 and 12 to the financial statements.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

Report of Directors (continued)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

DONATIONS

During the year, the Group made charitable and other donations amounted to approximately RMB732,000.

AUDIT AND RISK MANAGEMENT COMMITTEE

One of the principal duties of the Audit and Risk Management Committee is to review the Group's financial reporting requirements and system, and risk management and internal control systems. The members of the Audit and Risk Management Committee have been satisfied with the Company's financial reporting disclosures and system, and risk management and internal control procedures.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 74 to 95 of this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company and subject to the provisions of the Companies Ordinance, every Director, former Director, other officer or other former officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto provided that such articles shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has maintained appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year under review.

AUDITOR

Ernst & Young ("EY") has been appointed as auditor of the Company since 2020. The accompanying financial statements of the Group for the year ended 31 December 2024 have been audited by EY.

A resolution will be proposed at the forthcoming annual general meeting to re-appoint EY as auditor of the Company.

On behalf of the Board

Yan Jianguo
Chairman and Executive Director

Hong Kong, 31 March 2025

Independent Auditor's Report

EY 安永

To the members of China Overseas Land & Investment Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Overseas Land & Investment Limited (the "Company") and its subsidiaries (the "Group") set out on pages 131 to 224, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 ("HKICPA") and have been properly prepared in compliance with 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 judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report (continued)

KEY AUDIT MATTERS *(continued)*

Key audit matter

Valuation of investment properties

The Group's investment properties amounted to approximately RMB208,399 million as at 31 December 2024 and fair value gains of approximately RMB417 million were accounted for under "gains arising from changes in fair value of investment properties" in the consolidated income statement.

Management engaged independent valuers to determine the valuation of the Group's investment properties. There are significant judgements and estimates involved in the valuation which mainly include:

- Completed investment properties: The valuation was arrived at using the investment approach by considering the capitalised income derived from the existing tenancies and the reversionary potential, including reversionary yields and prevailing market rents, of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

- Investment properties under construction: The valuation was arrived at using the residual method by making reference to estimated selling prices as available in the relevant market. The estimated cost to complete the development and estimated developer's profit as at the date of valuation were also taken into account.

The significance of the carrying amounts of the investment properties to the consolidated financial statements and the existence of significant judgements and estimates of the assumptions involved in the property valuations warrant specific audit focus and attention on this area.

Related disclosures are included in notes 3(b), 4(a) and 17 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to the valuation of investment properties included:

- Assessing the competence, independence and objectivity of the valuers and discussing the scope of their work; and

- Assessing, with the assistance of our internal valuation specialists, the methodologies used by the valuers and, on a sample basis, the appropriateness of the key assumptions, based on our knowledge of the property industry, research evidence of reversionary yields, prevailing market rents and estimated selling prices with reference to comparable market transactions for similar properties, and testing, on a sample basis, the data used in the valuation of properties, including the rental rates from existing tenancies and estimated cost to complete, by comparing to the underlying agreements with the tenants and contractors respectively.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Recoverability of property portfolio held by the Group	
As at 31 December 2024, the carrying value of the Group's stock of properties was approximately RMB454,101 million. Management assesses the recoverability of property portfolio held by the Group's subsidiaries based on estimates of the net realisable values of the stock of properties. This involves estimation of, inter-alia, construction costs to be incurred to complete the properties under development based on existing plans, and a forecast of future sales based on the current market price of properties of comparable locations and conditions. Based on management's assessment, a provision of approximately RMB745 million for the Group's stock of properties was made for the year ended 31 December 2024. If the estimated net realisable values of the stock of properties are significantly different from their carrying values as a result of changes in market conditions and/or significant variation in the budgeted development costs, material provision for impairment losses may result. Accordingly, the existence of significant estimation uncertainty and the significance of the carrying amounts of the stock of properties to the consolidated financial statements warrant specific audit focus and attention on this area. Related disclosures are included in notes 3(b), 4(c), 9 and 21 to the consolidated financial statements.	Our procedures in relation to management's recoverability assessment included: • Obtaining an understanding of, evaluating and testing, on a sample basis, the key internal controls around the property development cycle and obtaining an understanding of sources of impairment assessment data and calculation of impairment provisions; • Understanding management's assessment, with reference to the appropriate supporting evidence, on the impairment of the stock of properties which had negative or relatively low gross profit margins, within the general property development and sales cycle; and • For significant stock of properties which had negative or relatively low gross profit margins, assessing the reasonableness of key assumptions adopted by management. For the forecast of future sales, we checked, on a sample basis, the contracted sales price of the underlying properties and recent market transaction prices of properties with comparable locations and conditions, where applicable. For construction costs to be incurred for properties under development, we assessed the reasonableness of the latest budgets of total construction costs and tested, on a sample basis, the incurred construction costs to supporting documentations, e.g., construction contracts and other documentations.

Independent Auditor's Report (continued)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.

Independent Auditor's Report (continued)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report (continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chow Chi Chung.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong
31 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	7	185,154,027	202,524,069
Direct operating costs		(152,389,366)	(161,371,266)
		32,764,661	41,152,803
Other income and gains, net	9	325,508	1,402,848
Gains arising from changes in fair value of investment properties	17	417,316	4,845,721
Selling and distribution expenses		(4,520,411)	(4,261,579)
Administrative expenses		(2,293,076)	(2,614,320)
Operating profit		26,693,998	40,525,473
Share of profits and losses of associates and joint ventures		649,049	1,627,309
Finance costs	10	(935,133)	(1,032,448)
Profit before tax		26,407,914	41,120,334
Income tax expenses	11	(8,620,685)	(14,073,689)
Profit for the year	12	17,787,229	27,046,645
Attributable to:			
Owners of the Company		15,635,658	25,609,837
Non-controlling interests		2,151,571	1,436,808
		17,787,229	27,046,645
		RMB	RMB
Earnings Per Share	14		
Basic and diluted		1.43	2.34

The notes on pages 139 to 224 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	**17,787,229**	27,046,645
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of subsidiaries of the Company	**(557,066)**	(168,265)
Exchange differences on translation of associates	**(244,062)**	(115,667)
	(801,128)	(283,932)
Other comprehensive income for the year	**(801,128)**	(283,932)
Total comprehensive income for the year	**16,986,101**	26,762,713
Total comprehensive income attributable to:		
Owners of the Company	**14,819,436**	25,332,428
Non-controlling interests	**2,166,665**	1,430,285
	16,986,101	26,762,713

The notes on pages 139 to 224 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current Assets			
Property, plant and equipment	16	7,300,730	6,903,790
Investment properties	17	208,399,049	207,746,168
Goodwill	34	56,395	56,395
Interests in associates	18	22,066,963	23,182,151
Interests in joint ventures	19	23,830,115	23,120,012
Financial assets at fair value through profit or loss	20	288,382	218,173
Other receivables		183,898	212,050
Deferred tax assets	33	7,324,894	7,513,453
		269,450,426	268,952,192
Current Assets			
Stock of properties and other inventories	21	454,274,446	487,640,804
Land development expenditure	22	5,961,031	8,604,923
Trade and other receivables	23	3,406,070	6,987,106
Contract assets	27	547,451	993,541
Deposits and prepayments		15,611,399	12,467,286
Deposits for land use rights for property development		731,860	204,520
Amounts due from associates	24	1,060,527	1,717,436
Amounts due from joint ventures	24	6,202,514	8,766,323
Amounts due from non-controlling shareholders	24	4,151,856	3,949,904
Tax prepaid		20,523,344	17,691,023
Bank balances and cash	25	124,168,228	105,629,033
Assets held for sale	17	2,545,229	–
		639,183,955	654,651,899
Current Liabilities			
Trade and other payables	26	55,600,731	85,684,211
Pre-sales proceeds	27	132,542,750	108,619,041
Amounts due to fellow subsidiaries and a related company	28	1,475,199	2,565,938
Amounts due to associates	28	5,486,399	4,228,149
Amounts due to joint ventures	28	3,838,405	4,024,969
Amounts due to non-controlling shareholders	29	13,717,430	8,648,674
Lease liabilities – due within one year	35	117,756	94,230
Tax liabilities		23,862,986	30,867,023
Bank and other borrowings – due within one year	31	16,633,612	21,157,995
Guaranteed notes and corporate bonds – due within one year	32	11,956,352	19,810,287
		265,231,620	285,700,517
Net Current Assets		373,952,335	368,951,382
Total Assets Less Current Liabilities		643,402,761	637,903,574

Consolidated Statement of Financial Position (continued)

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Capital and Reserves			
Share capital	30	74,035,443	74,035,443
Reserves		306,575,534	298,982,385
Equity attributable to owners of the Company		380,610,977	373,017,828
Non-controlling interests		21,219,021	19,893,880
Total Equity		401,829,998	392,911,708
Non-current Liabilities			
Lease liabilities – due after one year	35	865,453	960,434
Bank and other borrowings – due after one year	31	149,523,384	144,139,899
Guaranteed notes and corporate bonds – due after one year	32	63,450,630	72,555,955
Deferred tax liabilities	33	27,733,296	27,335,578
		241,572,763	244,991,866
Total of Equity and Non-Current Liabilities		643,402,761	637,903,574

The financial statements on pages 131 to 224 were approved by the Board of Directors on 31 March 2025 and were signed on its behalf by:

Yan Jianguo	**Zhang Zhichao**
Executive Director	*Executive Director*

The notes on pages 139 to 224 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company								
	Share capital RMB'000	Property revaluation reserve RMB'000 *(Note (a))*	Translation reserve RMB'000	Merger and other reserves RMB'000 *(Note (b))*	PRC statutory reserve RMB'000 *(Note (c))*	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	74,035,443	284,461	(1,036,758)	(11,922,232)	11,133,974	281,984,820	354,479,708	18,618,117	373,097,825
Profit for the year	–	–	–	–	–	25,609,837	25,609,837	1,436,808	27,046,645
Exchange differences on translation of subsidiaries of the Company	–	–	(161,742)	–	–	–	(161,742)	(6,523)	(168,265)
Exchange differences on translation of associates	–	–	(115,667)	–	–	–	(115,667)	–	(115,667)
Total comprehensive income for the year	–	–	(277,409)	–	–	25,609,837	25,332,428	1,430,285	26,762,713
2022 final dividend	–	–	–	–	–	(3,983,938)	(3,983,938)	–	(3,983,938)
2023 interim dividend	–	–	–	–	–	(3,581,713)	(3,581,713)	–	(3,581,713)
Contributions from non-controlling shareholders	–	–	–	–	–	–	–	4,508,537	4,508,537
Return of capital to non-controlling shareholders	–	–	–	–	–	–	–	(1,247,500)	(1,247,500)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(1,639,668)	(1,639,668)
Transfer to PRC statutory reserve	–	–	–	–	818,142	(818,142)	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	771,343	771,343	(2,062,855)	(1,291,512)
Acquisition of a subsidiary *(Note 37)*	–	–	–	–	–	–	–	286,964	286,964
At 31 December 2023	74,035,443	284,461	(1,314,167)	(11,922,232)	11,952,116	299,982,207	373,017,828	19,893,880	392,911,708

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024

	Attributable to owners of the Company								
	Share capital RMB'000	Property revaluation reserve RMB'000 *(Note (a))*	Translation reserve RMB'000	Merger and other reserves RMB'000 *(Note (b))*	PRC statutory reserve RMB'000 *(Note (c))*	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	74,035,443	284,461	(1,314,167)	(11,922,232)	11,952,116	299,982,207	373,017,828	19,893,880	392,911,708
Profit for the year	–	–	–	–	–	15,635,658	15,635,658	2,151,571	17,787,229
Exchange differences on translation of subsidiaries of the Company	–	–	(572,160)	–	–	–	(572,160)	15,094	(557,066)
Exchange differences on translation of associates	–	–	(244,062)	–	–	–	(244,062)	–	(244,062)
Total comprehensive income for the year	–	–	(816,222)	–	–	15,635,658	14,819,436	2,166,665	16,986,101
2023 final dividend	–	–	–	–	–	(4,536,107)	(4,536,107)	–	(4,536,107)
2024 interim dividend	–	–	–	–	–	(2,962,014)	(2,962,014)	–	(2,962,014)
Contributions from non-controlling shareholders	–	–	–	–	–	–	–	2,964,146	2,964,146
Return of capital to non-controlling shareholders	–	–	–	–	–	–	–	(2,630,128)	(2,630,128)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(713,612)	(713,612)
Transfer to PRC statutory reserve	–	–	–	–	104,913	(104,913)	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	187,630	187,630	(461,930)	(274,300)
Release of share option reserve upon the related options lapsed (*Note 30*)	–	–	–	(322,348)	–	322,348	–	–	–
Others	–	–	–	–	–	84,204	84,204	–	84,204
At 31 December 2024	74,035,443	284,461	(2,130,389)	(12,244,580)	12,057,029	308,609,013	380,610,977	21,219,021	401,829,998

Notes:

(a) *The property revaluation reserve mainly represents the surplus on revaluation of properties transferred from owner-occupied properties to investment properties, net of tax.*

(b) *The reserves mainly represent the merger reserve arising from the acquisition of subsidiaries in 2015 by the Group from China State Construction Engineering Corporation Limited ("CSCECL") and in 2016 from CITIC Limited, which are all state-owned entities and are under common control of the State Council of the People's Republic of China ("PRC"). Other reserves include share option reserve which represents the fair value of share options granted that are yet to be exercised. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited/lapsed.*

(c) *The PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries which were established in accordance with the relevant PRC regulations.*

The notes on pages 139 to 224 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES		
Profit before tax	**26,407,914**	41,120,334
Adjustments for:		
Share of profits and losses of associates and joint ventures	**(649,049)**	(1,627,309)
Finance costs	**935,133**	1,032,448
Depreciation	**459,527**	405,104
Interest income	**(1,599,196)**	(2,459,861)
Gain arising from changes in fair value of financial assets at fair value through profit or loss	**(70,209)**	–
Gains arising from changes in fair value of investment properties	**(417,316)**	(4,845,721)
Gain on disposals of property, plant and equipment	**(9,322)**	(31,112)
Re-measurement gains on pre-existing interest in an associate upon acquisition	**–**	(141,254)
Gains on bargain purchase of a subsidiary	**–**	(89,068)
Impairment losses on stock of properties	**745,040**	–
Impairment losses on amounts due from associates and joint ventures	**537,177**	–
Effect of foreign exchange rate changes	**254,419**	1,073,116
	26,594,118	34,436,677
Interest received	**1,437,466**	2,388,566
Decrease in stock of properties and other inventories	**41,229,125**	12,539,966
Decrease in land development expenditure	**2,643,892**	2,864,393
Decrease/(increase) in trade and other receivables, deposits and prepayments	**567,462**	(349,463)
Decrease in contract assets	**446,090**	284,895
Increase in deposits for land use rights for property development	**(527,340)**	(204,520)
Decrease in restricted bank deposits	**8,997**	312,084
(Decrease)/increase in trade and other payables and pre-sales proceeds	**(8,063,359)**	78,382
Cash generated from operations	**64,336,451**	52,350,980
Income taxes paid	**(17,882,511)**	(17,071,643)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**46,453,940**	35,279,337
INVESTING ACTIVITIES		
Dividends received from associates	**493,326**	457,014
Dividends received from joint ventures	**409,396**	273,352
Purchase of property, plant and equipment	**(198,035)**	(204,801)
Net cash inflow on acquisition of a subsidiary	**–**	19,484
Additions of investment properties	**(4,065,424)**	(7,076,150)
Advances to associates	**(7,355)**	(107,095)
Repayment from associates	**516,901**	1,975,756
Advances to joint ventures	**(2,025,516)**	(3,180,643)
Repayment from joint ventures	**2,923,296**	2,072,478
Advances to non-controlling shareholders	**(1,381,817)**	(1,204,863)
Repayment from non-controlling shareholders	**1,215,964**	648,011
Return of capital from associates	**1,526,200**	362,400
Capital contributions to associates	**(116,000)**	(774,027)
Return of capital from joint ventures	**233,374**	927,624
Capital contributions to joint ventures	**(45,000)**	(168,696)
Net proceeds on disposals of property, plant and equipment	**30,323**	50,880
Net proceeds on disposals of investment properties	**2,332,202**	1,157,920
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**1,841,835**	(4,771,356)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
FINANCING ACTIVITIES			
Interest paid		**(9,029,187)**	(9,879,391)
Other finance costs paid		**(36,698)**	(39,471)
Dividends paid to owners of the Company		**(7,498,121)**	(7,565,651)
Dividends paid to non-controlling shareholders		**(708,712)**	(1,163,168)
New bank and other borrowings raised		**77,456,700**	73,718,349
Repayment of bank and other borrowings		**(77,261,894)**	(75,615,048)
Issue of guaranteed notes and corporate bonds		**9,000,000**	9,190,000
Redemption of guaranteed notes and corporate bonds		**(26,745,780)**	(22,875,324)
Repayment to fellow subsidiaries		**(1,108,860)**	(1,110,968)
Contributions from non-controlling shareholders		**2,964,146**	4,508,537
Return of capital to non-controlling shareholders		**(2,630,128)**	(1,247,500)
Advances from associates		**1,753,263**	2,735,149
Repayment to associates		**(495,013)**	(142,770)
Advances from joint ventures		**609,425**	137,800
Repayment to joint ventures		**(702,723)**	(529,215)
Advances from non-controlling shareholders		**7,662,274**	275,978
Repayment to non-controlling shareholders		**(2,678,693)**	(5,522,068)
Principal element of lease payments		**(73,129)**	(110,758)
Deposits received for partial disposal of subsidiaries' interests		**–**	967,530
Acquisition of additional interests in subsidiaries		**(274,300)**	(750,300)
NET CASH USED IN FINANCING ACTIVITIES		**(29,797,430)**	(35,018,289)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**18,498,345**	(4,510,308)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**105,344,021**	109,709,019
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**49,847**	145,310
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**123,892,213**	105,344,021
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash as per consolidated statement of financial position		**124,168,228**	105,629,033
Less: restricted bank deposits	*25*	**(276,015)**	(285,012)
		123,892,213	105,344,021

The notes on pages 139 to 224 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Company's immediate parent company is China Overseas Holdings Limited, a company incorporated in Hong Kong, and its ultimate holding company is 中國建築集團有限公司 (China State Construction Engineering Corporation*, "CSCEC"), an entity established in the PRC and the PRC government is a substantial shareholder of CSCEC. The registered office and principal place of business of the Company are situated at 10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong. The Group's business activities are principally carried out in Hong Kong, Macau, Beijing, Shanghai, Guangzhou, Shenzhen, Xiamen, Changsha, Jinan, Zhengzhou, Nanjing, Hangzhou, Suzhou, Chengdu, Tianjin, Xi'an and other regions in the Chinese mainland.

The Group, comprising the Company and its subsidiaries, is principally engaged in property development, commercial property operations and other businesses.

The Company's functional currency is Renminbi ("RMB") and the consolidated financial statements are presented in RMB as the directors of the Company consider that RMB is the appropriate presentation currency for the users of the Group's consolidated financial statements.

2. APPLICATION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are relevant to the Group:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The application of the above amendments to HKFRSs has had no material impact on the Group's results and financial position. The impact to the consolidated financial statements upon the adoption of these amendments are described below:

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

* *English translation for identification purpose only*

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

2. APPLICATION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(continued)*

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of the implementation of the amendments, the Group has provided additional disclosures about its supplier finance arrangements in note 26 to the financial statements.

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

Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instrument*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 10 and HKAS 28 (2011)	*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/reporting periods beginning on or after 1 January 2027*
4 *No mandatory effective date yet determined but available for early adoption*

The Group has already commenced an assessment of the impact of the above HKFRSs and amendments to existing standards. So far it has assessed that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on the Hong Kong Stock Exchange and the Hong Kong Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss, which are measured at fair values as explained in the accounting policies set out below.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (its subsidiaries) for the year ended 31 December 2024.

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for business combination under common control, subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income of a subsidiary is attributed to owners of the Company and to the non-controlling interests even if the results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership 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 interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the carrying amount of the net assets attributable to the change in interests and the fair value of the consideration paid or received is recognised directly in retained profits and attributed to owners of the Company.

When the Group loses control of a subsidiary, it derecognises the related assets (including any goodwill), liabilities, any non-controlling interests (including any components of other comprehensive income attributable to them) and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained profits as specified 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* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Basis of Consolidation *(continued)*

Business combinations – common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interests.

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the previous year end date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as expenses in the period in which it is incurred.

Business combinations – acquisition method

Acquisitions of businesses not under common control 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 are recognised in profit or loss as incurred.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Basis of Consolidation *(continued)*

Business combinations – acquisition method (continued)

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

1. deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

2. liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and

3. 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.

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 of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. 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 entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or when applicable, on the basis specified in another standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Basis of Consolidation *(continued)*

Business combinations – acquisition method (continued)

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKFRS 9 *Financial Instruments* or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree 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. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest was disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Fair Value Measurement

The Group measures its investment properties and financial assets at fair value through profit or loss at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Fair Value Measurement *(continued)*

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.

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

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

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

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

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

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

Separate Financial Statements

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. Cost includes direct attributable costs of investments.

The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Interests in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates or joint ventures are 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 associates or joint ventures. When the Group's share of losses of an associate or a joint venture equals or exceeds its 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 that associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition 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, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* 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 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.

Upon disposal of an associate or a joint venture that results in the Group losing significant influence or joint control over that associate or joint venture, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9 *Financial Instruments*. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Interests in Associates and Joint Ventures *(continued)*

If an interest in an associate becomes an interest in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When a group entity transacts with its associate or joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group. When the Group disposes of a business to its associate or joint venture, the entire gain or loss on disposal is recognised in profit or loss as a loss of control of a business.

Accounting policies of associates and joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's management. The Group's management, who is responsible for resource allocation and assessment of performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including investment properties under construction and right-of-use assets for such purposes). Investment properties include land use rights held for undetermined future use, which are regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

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. 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 profit or loss in the period in which the item is derecognised.

For a transfer from stock of properties to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Related Parties

A party is considered to be related to the Group if:

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

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

or

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Property, Plant and Equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets in the course of construction in progress are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation, on the same basis as other assets, commences when the assets are ready for their intended use.

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 in the period in which the item is derecognised.

Impairment Losses on Tangible and Intangible Assets other than Goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its assets 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 asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The 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 for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Impairment Losses on Tangible and Intangible Assets other than Goodwill *(continued)*

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. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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) in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

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

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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Financial Assets *(continued)*

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost, which include trade and other receivables, amounts due from associates, joint ventures and non-controlling shareholders and bank balances. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses).

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Financial Assets *(continued)*

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9 *Financial Instruments* which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment of financial assets measured at amortised cost other than trade receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

When there is a significant increase in credit risk or the proceeds receivable are not settled in accordance with the terms stipulated in the agreements, management considers these receivables as underperforming or non-performing and impairment is measured as lifetime expected credit losses.

When management considers that there is no reasonable expectation of recovery, the financial assets measured at amortised cost will be written off.

Financial Liabilities and Equity Instruments

Financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Financial Liabilities and Equity Instruments *(continued)*

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 Group are recorded at the proceeds received, net of direct issue costs.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and other payables in the consolidated statement of financial position as they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

Financial liabilities (including trade and other payables, amounts due to associates, joint ventures, non-controlling shareholders, fellow subsidiaries and a related company, lease liabilities, bank and other borrowings and guaranteed notes and corporate bonds) are measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Offsetting of financial instruments

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

Derecognition

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(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 original or modified terms of a debt instrument. A financial guarantee contract issued by the Group or the Company and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group or the Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the revenue recognition policy in profit or loss.

Inventories

Inventories, representing raw materials and consumables, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Stock of Properties

Properties for/under development comprise leasehold land and land use rights, development expenditure and borrowing costs capitalised, and are carried at the lower of cost and net realisable value. Net realisable value takes into account the proceeds ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to complete. Upon completion, the properties are transferred to completed properties held for sale. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

Completed properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

Cash and Cash Equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of generally three months or less that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the cumulative revenue recognised in the consolidated income statement exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in the consolidated income statement.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognised as expenses.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

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.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Borrowing Costs *(continued)*

Borrowing costs include interest expense, interest in respect of lease liabilities and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the Group's subsidiaries had borrowed funds in their functional currencies, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the 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 on 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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the 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) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Foreign Currencies *(continued)*

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Leases are initially measured on a present value basis at the date at which the leased asset is available for use by the Group. These are presented within "Property, plant and equipment" in the consolidated statement of financial position.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate the lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments of the Group to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Leases *(continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases (presented as rental income within "Revenue" in the consolidated income statement) where the Group is a lessor is recognised as income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Leases *(continued)*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Employee Benefits

(i) Retirement benefits

The Group participates in mandatory provident fund schemes in Hong Kong which are the defined contribution plan generally funded through payments to trustee-administered funds. The assets of the scheme are held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in the Chinese mainland, the subsidiaries in the Chinese mainland participate in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the Chinese mainland is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(ii) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Employee Benefits *(continued)*

(iii) Share-based payments

Share options granted by the Company

The Company operates a share option scheme, under which the Group receives services from employees as consideration for share options of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an employee benefit expense with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (e.g. the entity's share price);

– excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

– including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of share options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The grant by the Company of equity instruments over its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the Company accounts.

At the end of each reporting period, the Company revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve. When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

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 as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

Deferred tax is recognised on 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, except that deferred tax is not recognised for the Pillar Two income taxes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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 other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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 the 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 the 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. Current tax and deferred tax are recognised in profit or loss. 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Own equity instruments which are reacquired by the Company or the Group are recognised directly in equity at cost. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Revenue Recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group entitles in exchange for those goods or services.

Property development

The Group recognises revenue as the performance obligations are satisfied at a point in time when the customer obtains control of the property and the Group satisfies the performance obligations.

Upon entering into a contract with a buyer, the Group obtains rights to receive consideration from the buyer and assumes performance obligations to transfer goods or provide services to the buyer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Revenue is measured at the fair value if the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of discount.

Proceeds received from buyers prior to meeting the revenue recognition criteria are included in "Pre-sales proceeds" in the consolidated statement of financial position.

Accounting for costs incurred for obtaining a contract

Costs such as stamp duty and sales commission incurred directly attributable for obtaining a pre-sale property contract, if recoverable, are capitalised and recorded in contract assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Revenue Recognition *(continued)*

Property development (continued)

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Accounting for significant financing component

For contracts where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price is adjusted for the effects of a financing component, if significant.

Construction services

When the outcome of a construction service contract can be estimated reliably, revenue and costs are recognised when or as the construction projects are transferred to the customer. Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Material procurement services

Revenue from material procurement services is recognised at the point in time when control of the material is transferred to the customer, generally on delivery of the material.

Hotel operation, building design consultancy and supply chain management services

Revenue from hotel operation, building design consultancy and supply chain management services are recognised when services are provided.

Property rentals

Rental income from operating leases where the Group is a lessor is recognised as revenue on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Revenue Recognition *(continued)*

Dividend income

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Material Accounting Policies *(continued)*

Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

For distribution of non-cash assets as a dividend to the Company's shareholders, the Group measures the dividend payable at the fair value of the assets being distributed. When the Group settles the dividend payable, the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that related to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

4. KEY SOURCES OF JUDGEMENT AND ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing 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 the current and future periods.

The key assumptions concerning the future, and other key sources of judgement and estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Fair Value of Investment Properties

Investment properties, including those classified as held for sale, at 31 December 2024 are carried at their fair values of RMB210,944,278,000 (2023: RMB207,746,168,000). The fair values were based on a valuation on these properties conducted by independent firms of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

4. KEY SOURCES OF JUDGEMENT AND ESTIMATION UNCERTAINTY *(continued)*

(b) Impairment of Property Portfolio Held by the Group's Associates and Joint Ventures

The carrying amounts of the Group's net investments in a listed associate, unlisted associates and joint ventures (representing interests in and amounts due from these companies) undertaking property development projects in the Chinese mainland and Hong Kong included in the consolidated statement of financial position at 31 December 2024 were RMB12,731,305,000 (2023: RMB12,764,282,000), RMB10,396,185,000 (2023: RMB12,135,305,000) and RMB30,032,629,000 (2023: RMB31,886,335,000), respectively.

Management assessed the recoverability of property portfolio held by the Group's unlisted associates and joint ventures based on the judgement and estimation of the net realisable value of the stock of properties of the associates and joint ventures which involve, inter-alia, considerable analysis of the current market price of properties of a comparable standard and location, construction costs to be incurred to complete the development based on the existing asset structure and a forecast of future sales based on a zero growth rate of the property price. If the actual net realisable values of the stock of properties are more or less than expected as a result of change in the market condition and/or significant variation in the budgeted development costs, a material reversal of or provision for impairment losses may result.

The recoverable amount of the investment in the listed associate is evaluated based on the value in use, the performance and financial position of the associate, and return on investments including the listed associate's share price performance and dividend yield.

Judgement is required in assessing the ultimate recoverability of the property portfolio held by the Group's associates and joint ventures.

(c) Impairment of Stock of Properties

At 31 December 2024, the carrying amount of the Group's stock of properties was RMB454,100,777,000 (2023: RMB487,487,473,000). Management assessed the recoverability of the amount based on the judgement and estimation of the net realisable value of the underlying properties which involves, inter-alia, considerable analysis of the current market price of properties of a comparable standard and location, construction costs to be incurred to complete the development based on the existing asset structure and a forecast of future sales based on a zero growth rate of the property price. If the actual net realisable values of the underlying stock of properties are more or less than expected as a result of change in the market condition and/or significant variation in the budgeted development costs, a material reversal of or provision for impairment losses may result.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

4. KEY SOURCES OF JUDGEMENT AND ESTIMATION UNCERTAINTY *(continued)*

(d) Land Appreciation Tax ("LAT")

LAT is levied on the appreciation of land value, being the proceeds from the sales of properties less deductible expenditure including land costs, borrowing costs and other property development expenditure.

The subsidiaries engaging in the property development business in the PRC are subject to LAT, which have been included in the tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its LAT returns with various tax authorities. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these tax liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax expense and provisions for LAT in the period in which such determination is made.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt, which mainly includes bank and other borrowings and guaranteed notes and corporate bonds disclosed in notes 31 and 32, respectively, bank balances and cash and total equity, comprising share capital, retained profits, other reserves and non-controlling interests.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company assess budgets of major projects, taking into account the provision of funding. Based on the operating budgets, the directors of the Company consider the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends, issue of new share as well as raising of new debt financing or the redemption of existing debt.

The Group monitors its capital structure on a basis of the Group's net gearing. The net gearing is calculated as net debt divided by total equity. For this purpose, the Group defines net debt as total debt less bank balances and cash.

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 26 to the financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. CAPITAL RISK MANAGEMENT *(continued)*

The net gearing at the end of the reporting period was as follows:

	2024 RMB'000	2023 RMB'000
Bank and other borrowings	166,156,996	165,297,894
Guaranteed notes and corporate bonds	75,406,982	92,366,242
Total debt	241,563,978	257,664,136
Less: Bank balances and cash	(124,168,228)	(105,629,033)
Net debt	117,395,750	152,035,103
Total equity (including non-controlling interests)	401,829,998	392,911,708
Net gearing (%)	29.2	38.7

6. FINANCIAL INSTRUMENTS

Details of material accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in note 3.

a. Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Loans and receivables at amortised cost (including bank balances and cash)	153,875,192	140,348,743
Financial assets at fair value through profit or loss	288,382	218,173
Financial liabilities		
Liabilities at amortised cost	319,906,795	362,818,869

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS

b. Financial risk management objectives and policies

The Group's major financial instruments include bank and other borrowings, guaranteed notes and corporate bonds, trade and other receivables, trade and other payables, amounts due from/to affiliated companies, financial assets at fair value through profit or loss, bank balances and cash, and lease liabilities. Details of the financial instruments are disclosed in the respective notes.

Management monitors and manages the financial risks relating to the Group through internal risk assessment which analyses exposures by the degree and magnitude of risks. These risks include market risk (including interest rate risk and currency risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

The Group does not enter into or trade any financial instruments, including derivative financial instruments, for hedging or speculative purpose.

There has been no change to the Group's exposure to these kinds of risks or the manner in which it manages and measures these risks.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and changes in foreign exchange rates.

Interest rate risk

The Group's main interest rate risk arising from its variable-rate bank and other borrowings, and other receivables amounting to RMB129,642,469,000 (2023: RMB136,730,233,000), and RMB183,898,000 (2023: RMB212,050,000), respectively, which expose the Group to cash flow interest rate risk. The variable-rate bank and other borrowings with original maturities from one to more than ten years are for financing development of property projects. An increase in interest rates would increase interest expenses. Management monitors interest rate exposure on a dynamic basis and will consider hedging significant interest rate exposure should the need arise.

The Group's fair value interest rate risk relates primarily to its corresponding fixed-rate bank and other borrowings, guaranteed notes and corporate bonds, amounts due to joint ventures and non-controlling shareholders, and amounts due from associates and joint ventures amounting to RMB36,514,527,000 (2023: RMB28,567,661,000), RMB75,406,982,000 (2023: RMB92,366,242,000), RMB858,513,000 (2023: RMB1,991,812,000) and RMB2,874,650,000 (2023: RMB4,611,171,000), respectively. Management will also consider hedging significant interest rate exposure should the need arise.

Interest rate risk sensitivity analysis
The sensitivity analysis is prepared assuming that the amount of assets/liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2023: 100) basis points higher/lower and all other variables were held constant, the Group's profit after tax and total equity for the year would decrease/increase by RMB105,813,000 (2023: RMB115,099,000) after capitalising finance costs in properties under development and investment properties under construction of RMB934,031,000 (2023: RMB1,012,629,000). This is mainly attributable to the Group's exposure to cash flow interest rate risk on its variable-rate bank and other borrowings and other receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

(i) Market risk *(continued)*

Currency risk

The Group undertakes certain transactions denominated in foreign currencies. The currencies giving rise to this exchange rate fluctuation risk are primarily Hong Kong dollars ("HK$")-denominated bank and other borrowings and guaranteed notes and corporate bonds, and United States dollars ("US$")-denominated guaranteed notes and corporate bonds, in aggregate accounting for 17.7% of the Group's interest-bearing debt. Management manages its foreign currency risk by closely reviewing the movement of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, mainly attributable to amounts due from joint ventures, bank balances and cash, bank and other borrowings and guaranteed notes and corporate bonds, are as follows:

	2024 **RMB'000**	2023 RMB'000
Assets		
HK$	**887,964**	1,806,668
US$	**382,141**	1,688,400
Liabilities		
HK$	**15,460,839**	43,955,998
US$	**27,319,236**	31,597,404

Currency risk sensitivity analysis

The Group mainly exposes to the currency risk of US$ and HK$. The following details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in the functional currencies of group entities against US$ and HK$, respectively. 5% (2023: 5%) is the sensitivity rate used as it represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. The sensitivity analysis includes amounts due from joint ventures, bank balances and cash, bank and other borrowings and guaranteed notes and corporate bonds in currencies other than the functional currencies of the group entities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

(i) Market risk *(continued)*

Currency risk (continued)

Currency risk sensitivity analysis (continued)

For a 5% (2023: 5%) decrease of functional currencies of group entities against US$ and HK$, all other variables were held constant, the Group's profit after tax and total equity for the year would decrease by RMB673,077,000 (2023: RMB2,165,060,000) after an increase in capitalising of exchange losses in properties under development of RMB3,262,000 (2023: Nil).

For a 5% (2023: 5%) increase of functional currencies of group entities against US$ and HK$, all other variables were held constant, the Group's profit after tax and total equity for the year would increase by RMB325,183,000 (2023: RMB1,372,777,000) after a decrease in capitalising of exchange losses in properties under development of RMB351,156,000 (2023: RMB792,283,000).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Credit risk

At 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group were arising from:

- the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amounts of financial guarantees issued by the Group as disclosed in note 39.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amounts of each individual trade and other receivable at the end of the reporting period to ensure that adequate impairment provisions are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits is limited because the counterparties are banks and other financial institutions with high credit ratings assigned by international credit-rating agencies or state-owned banks in the PRC.

For the trade receivables and contract assets arising from sales of properties, the Group managed the credit risk by fully receiving cash or properly arranging the purchasers' mortgage loan financing procedures before delivery of properties. The Group closely monitors the collection of progress payments from customers in accordance with the payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

(ii) Credit risk *(continued)*

Meanwhile, the Group has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

For other receivables, amounts due from associates, joint ventures and non-controlling shareholders, the Group does not have any other significant concentration of credit risk. The Group would closely monitor the financial positions including the net assets backing of the associates, joint ventures and non-controlling shareholders, which are mainly engaged in property development business in Hong Kong and the PRC and their property development projects are profitable. Based on the above assessment, management considered that the expected credit loss is minimal and the directors of the Company are of the opinion that the risk of default by counterparties is low, except for the impairment losses made on the amounts due from joint ventures and associates of RMB1,864,291,000 at 31 December 2024 (2023: RMB1,327,114,000).

Except for trade receivables and contract assets for which the loss allowances are measured at an amount equal to lifetime expected credit losses under simplified approach, the loss allowances of other financial assets are measured at an amount equal to 12-month expected credit losses.

(iii) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on bank and other borrowings and guaranteed notes and corporate bonds as a significant source of liquidity. At 31 December 2024, the Group maintains substantial undrawn committed revolving banking facilities to allow for flexibility in meeting its funding requirements.

The following table analyses the contractual undiscounted cash flows of the Group's financial liabilities by relevant maturity groupings based on the remaining period from the end of reporting period to the earliest date the Group is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from flat rate at the end of the reporting period. The undiscounted amounts are subject to changes if changes in variable rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

(iii) Liquidity risk *(continued)*

	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024						
Trade and other payables	48,290,578	1,650,900	2,800,533	344,935	53,086,946	52,842,175
Amounts due to fellow subsidiaries and a related company	1,475,199	–	–	–	1,475,199	1,475,199
Amounts due to associates	5,486,399	–	–	–	5,486,399	5,486,399
Amounts due to joint ventures	3,851,038	–	–	–	3,851,038	3,838,405
Amounts due to non-controlling shareholders	13,733,691	–	–	–	13,733,691	13,717,430
Lease liabilities	115,265	112,015	266,576	797,880	1,291,736	983,209
Bank and other borrowings	21,169,063	36,894,288	90,039,930	34,792,638	182,895,919	166,156,996
Guaranteed notes and corporate bonds	14,576,490	12,352,084	41,637,268	21,991,380	90,557,222	75,406,982
Financial guarantee contracts	55,879,901	3,310,093	612,204	322,401	60,124,599	–
	164,577,624	54,319,380	135,356,511	58,249,234	412,502,749	319,906,795
At 31 December 2023						
Trade and other payables	79,821,832	2,185,402	2,739,341	140,687	84,887,262	84,632,339
Amounts due to fellow subsidiaries and a related company	2,565,938	–	–	–	2,565,938	2,565,938
Amounts due to associates	4,228,149	–	–	–	4,228,149	4,228,149
Amounts due to joint ventures	4,037,349	–	–	–	4,037,349	4,024,969
Amounts due to non-controlling shareholders	8,725,974	–	–	–	8,725,974	8,648,674
Lease liabilities	106,575	116,299	293,827	827,966	1,344,667	1,054,664
Bank and other borrowings	27,078,453	31,659,490	92,180,038	35,897,134	186,815,115	165,297,894
Guaranteed notes and corporate bonds	15,824,183	18,373,240	41,819,636	39,944,286	115,961,345	92,366,242
Financial guarantee contracts	68,961,171	5,323,245	2,541,906	322,401	77,148,723	–
	211,349,624	57,657,676	139,574,748	77,132,474	485,714,522	362,818,869

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 amounts if those amounts are 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 that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee that the guaranteed financial receivables held by the counterparty suffer credit losses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

During the year, there were no transfers between different levels with the fair value hierarchy.

	2024 **Level 3** **RMB'000**	2023 Level 3 RMB'000
Financial assets at fair value through profit or loss	**288,382**	218,173

The fair value of unlisted equity investment designated at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation technique and the inputs, including significant unobservable inputs, used in the fair value measurement of unlisted equity investment are not disclosed as such disclosures, in the opinion of the directors, would result in particulars of excessive length and provide no additional useful information to the users of the financial statements.

(ii) Financial assets and liabilities carried at other than fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values, except for the guaranteed notes and corporate bonds as disclosed in note 32. The fair values of guaranteed notes and corporate bonds is measured at quoted market price and are within level 1 of the three-level fair value hierarchy.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

7. REVENUE

Revenue comprises revenue from property development, revenue from commercial property operations and revenue from other businesses. An analysis of the Group's revenue for the year is as follows:

	2024 RMB'000	2023 RMB'000
Property development	174,716,382	192,877,444
Commercial property operations	7,129,342	6,361,835
Other businesses *(Note)*	3,308,303	3,284,790
Revenue	185,154,027	202,524,069

Note: Other businesses mainly comprise revenue from material procurement and supply chain management services, provision of construction and building design consultancy services and others.

8. SEGMENT INFORMATION

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

The Group managed its business units based on their products and services, based on which information is prepared and reported to the Group's management for the purposes of resources allocation and performance assessment. The composition of the Group's reportable segments and the type of revenue are as follows:

Property development – property development and sales

Commercial property operations – property rentals, hotel and other commercial property operations

Other businesses – material procurement and supply chain management services, provision of construction and building design consultancy services and others

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

8. SEGMENT INFORMATION *(continued)*

Segment Revenue and Results

The following is an analysis of the Group's revenue and results (including share of results of associates and joint ventures) by reportable segments:

Year ended 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Revenue from contracts with customers				
– Recognised at a point in time	174,716,382	–	2,797,857	177,514,239
– Recognised over time	–	1,029,583	510,446	1,540,029
	174,716,382	1,029,583	3,308,303	179,054,268
Revenue from other sources				
– Revenue from commercial properties	–	6,099,759	–	6,099,759
Segment revenue from external customers	174,716,382	7,129,342	3,308,303	185,154,027
Inter-segment revenue	–	–	5,044,383	5,044,383
Total segment revenue	174,716,382	7,129,342	8,352,686	190,198,410
Segment profit (including share of profits and losses of associates and joint ventures)	22,645,548	3,531,024	150,565	26,327,137

Year ended 31 December 2023

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Revenue from contracts with customers				
– Recognised at a point in time	192,877,444	–	2,730,004	195,607,448
– Recognised over time	–	1,063,521	554,786	1,618,307
	192,877,444	1,063,521	3,284,790	197,225,755
Revenue from other sources				
– Revenue from commercial properties	–	5,298,314	–	5,298,314
Segment revenue from external customers	192,877,444	6,361,835	3,284,790	202,524,069
Inter-segment revenue	–	–	7,791,581	7,791,581
Total segment revenue	192,877,444	6,361,835	11,076,371	210,315,650
Segment profit (including share of profits and losses of associates and joint ventures)	33,146,004	7,770,667	252,703	41,169,374

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

8. SEGMENT INFORMATION *(continued)*

Reconciliation of reportable segment profit to the consolidated profit before tax

Segment profit include profit from subsidiaries and share of profits and losses of associates and joint ventures. These represent the profit earned by each segment without allocation of interest income on bank deposits, corporate expenses, finance costs and net foreign exchange losses recognised in the consolidated income statement.

	2024 RMB'000	2023 RMB'000
Reportable segment profit	26,327,137	41,169,374
Unallocated items:		
Interest income on bank deposits	1,357,788	2,156,325
Corporate expenses	(87,459)	(99,801)
Finance costs	(935,133)	(1,032,448)
Net foreign exchange losses recognised in the consolidated income statement	(254,419)	(1,073,116)
Consolidated profit before tax	26,407,914	41,120,334

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

At 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Segment assets (including interests in and amounts due from associates and joint ventures) *(Note a)*	564,316,682	218,209,754	1,939,717	784,466,153
Segment liabilities (including amounts due to associates and joint ventures) *(Note b)*	(228,588,720)	(28,124,877)	(8,526,808)	(265,240,405)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

8. SEGMENT INFORMATION *(continued)*

Segment Assets and Liabilities *(continued)*

At 31 December 2023

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Segment assets (including interests in and amounts due from associates and joint ventures) *(Note a)*	601,035,486	215,044,656	1,894,916	817,975,058
Segment liabilities (including amounts due to associates and joint ventures) *(Note b)*	(235,004,781)	(28,537,803)	(9,485,663)	(273,028,247)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than bank balances and cash; and
- all liabilities are allocated to reportable segments other than bank and other borrowings, guaranteed notes and corporate bonds.

	2024 RMB'000	2023 RMB'000
Reportable segment assets	**784,466,153**	817,975,058
Unallocated items:		
Bank balances and cash	**124,168,228**	105,629,033
Consolidated total assets	**908,634,381**	923,604,091
Reportable segment liabilities	**(265,240,405)**	(273,028,247)
Unallocated items:		
Bank and other borrowings	**(166,156,996)**	(165,297,894)
Guaranteed notes and corporate bonds	**(75,406,982)**	(92,366,242)
Consolidated total liabilities	**(506,804,383)**	(530,692,383)

Notes:

(a) Segment assets include interests in and amounts due from associates of RMB22,066,963,000 (2023: RMB23,182,151,000) and RMB1,060,527,000 (2023: RMB1,717,436,000) respectively and interests in and amounts due from joint ventures of RMB23,830,115,000 (2023: RMB23,120,012,000) and RMB6,202,514,000 (2023: RMB8,766,323,000), respectively.

(b) Segment liabilities include amounts due to associates and joint ventures of RMB5,486,399,000 (2023: RMB4,228,149,000) and RMB3,838,405,000 (2023: RMB4,024,969,000), respectively.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

8. SEGMENT INFORMATION *(continued)*

Other Segment Information

Year ended 31 December 2024

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Amounts included in the measurement of segment results and segment assets:				
Additions to non-current assets *(Note)*	**28,556**	**4,506,850**	**53,883**	**4,589,289**
Depreciation	**(76,437)**	**(294,619)**	**(88,471)**	**(459,527)**
Impairment losses on stock of properties	**(745,040)**	**–**	**–**	**(745,040)**
Impairment losses on amounts due from associates and joint ventures	**(537,177)**	**–**	**–**	**(537,177)**
Gains arising from changes in fair value of investment properties	**–**	**417,316**	**–**	**417,316**
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	**228,263**	**–**	**–**	**228,263**
Share of profits and losses of associates and joint ventures	**649,049**	**–**	**–**	**649,049**

Year ended 31 December 2023

	Property development RMB'000	Commercial property operations RMB'000	Other businesses RMB'000	Total RMB'000
Amounts included in the measurement of segment results and segment assets:				
Additions to non-current assets *(Note)*	19,413	13,569,317	36,742	13,625,472
Depreciation	(69,973)	(279,394)	(55,737)	(405,104)
Re-measurement gains on pre-existing interest in an associate upon acquisition	141,254	–	–	141,254
Gains on bargain purchase of a subsidiary	89,068	–	–	89,068
Gains arising from changes in fair value of investment properties	–	4,845,721	–	4,845,721
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	275,427	–	–	275,427
Share of profits and losses of associates and joint ventures	1,627,309	–	–	1,627,309

Note: Non-current assets exclude interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, other receivables and deferred tax assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

8. SEGMENT INFORMATION *(continued)*

Revenue from Major Products and Services

An analysis of the Group's revenue for the year from its major products and services is set out in note 7.

Information about Geographical Areas

The Group's property development, commercial property operations and other businesses are carried out in the Chinese mainland, Hong Kong, Macau and the United Kingdom. The following table provides a geographical analysis of the Group's revenue from external customers (based on where the products and services are delivered or provided) and non-current assets (based on the location of assets).

	Revenue by geographical market		Non-current assets *(Note)*	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC				
Southern Region	**51,637,298**	64,116,259	**32,876,558**	33,448,173
Eastern Region	**35,527,900**	48,041,050	**74,813,048**	74,646,121
Central and Western Region	**36,514,493**	25,556,561	**23,657,549**	23,050,055
Northern Region	**56,433,628**	62,247,710	**77,530,938**	76,727,146
Hong Kong and Macau	**4,715,814**	2,278,447	**2,065,110**	2,045,800
The United Kingdom	**324,894**	284,042	**4,812,971**	4,789,058
Total	**185,154,027**	202,524,069	**215,756,174**	214,706,353

Note: Non-current assets exclude interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, other receivables and deferred tax assets.

Information about major customers

There was no revenue from a single customer accounted for 10% or more of the Group's revenue for both years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

9. OTHER INCOME AND GAINS, NET

	2024 RMB'000	2023 RMB'000
Other income and gains, net include:		
Interest income on bank deposits	1,357,788	2,156,325
Interest income on amounts due from associates, joint ventures and non-controlling shareholders	228,263	275,427
Other interest income	13,145	28,109
Total interest income	1,599,196	2,459,861
Net foreign exchange losses	(605,575)	(1,865,399)
Add: Exchange losses arising from foreign currency debt capitalised	351,156	792,283
Net foreign exchange losses recognised in the consolidated income statement	(254,419)	(1,073,116)
Re-measurement gains on pre-existing interest in an associate upon acquisition	–	141,254
Gains on bargain purchase of a subsidiary	–	89,068
Impairment losses on stock of properties	(745,040)	–
Impairment losses on amounts due from associates and joint ventures	(537,177)	–

10. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings, guaranteed notes and corporate bonds	8,787,751	9,585,825
Interest on amounts due to joint ventures and non-controlling shareholders	151,612	324,963
Interest on lease liabilities and other finance costs	250,389	205,008
Total finance costs	9,189,752	10,115,796
Less: Amount capitalised	(8,254,619)	(9,083,348)
	935,133	1,032,448

Finance costs capitalised during the year are calculated by applying a weighted average capitalisation rate of 3.02% (2023: 3.18%) per annum to expenditure on qualifying assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

11. INCOME TAX EXPENSES

	2024 RMB'000	2023 RMB'000
Current tax:		
PRC Corporate Income Tax ("CIT")	5,518,333	7,816,853
PRC LAT	2,393,800	5,827,734
PRC withholding income tax	70,637	114,698
Hong Kong profits tax	16,409	29,744
Macau income tax	5,931	6,153
Others	29,025	26,608
	8,034,135	13,821,790
Deferred tax *(Note 33)*:		
Current year	586,550	251,899
Total	8,620,685	14,073,689

Under the Law of PRC on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of PRC subsidiaries of the Company is 25% (2023: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profit for the year.

Macau income tax is calculated at the prevailing tax rate of 12% (2023: 12%) in Macau.

Details of deferred tax are set out in note 33.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2024 in certain jurisdictions in which the Group operates. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

11. INCOME TAX EXPENSES *(continued)*

The income tax expenses for the year are reconciled to the profit before tax per the consolidated income statement as follows:

	2024 RMB'000	2023 RMB'000
Profit before tax	**26,407,914**	41,120,334
Tax at the applicable tax rate of 25% (2023: 25%)	**6,601,978**	10,280,084
PRC withholding income tax	**70,637**	114,698
PRC LAT	**2,393,800**	5,827,734
Tax effect of PRC LAT	**(598,450)**	(1,456,934)
Tax effect of share of profits and losses of associates and joint ventures	**(162,262)**	(406,827)
Tax effect of expenses not deductible for tax purpose	**904,638**	1,069,033
Tax effect of income not taxable for tax purpose	**(92,898)**	(165,083)
Effect of different tax rates	**(164,629)**	(870,806)
Over-provision in prior years	**(225,427)**	(370,280)
Others	**(106,702)**	52,070
Income tax expenses for the year	**8,620,685**	14,073,689

12. PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging/(crediting):		
Auditors' remuneration		
Audit services	**11,419**	10,746
Non-audit services	**1,320**	793
	12,739	11,539
Depreciation	**459,527**	405,104
Staff costs (including benefits and interests of directors) *(Note)*	**2,042,126**	2,549,048
Share of tax of associates and joint ventures	**718,888**	1,079,906
Cost of stock of properties and other inventories recognised as expenses	**147,703,693**	157,360,714
Rental income in respect of investment properties under operating leases, net of outgoings of RMB2,579,447,000 (2023: RMB2,060,491,000)	**(3,359,142)**	(3,124,180)

Note: The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of the trustees. During the year ended 31 December 2024, the aggregate amount of forfeited contributions in respect of employees who left before their interests vested fully and thus utilised to reduce contributions during the year was RMB3,000 (2023: RMB99,000).

The employees of the Group's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme.

The total cost for contributions to the retirement schemes by the Group for the year was RMB213,726,000 (2023: RMB210,924,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

13. BENEFITS AND INTERESTS OF DIRECTORS

		For the year ended 31 December 2024 As director				
	Notes	Directors' fees RMB'000	Basic salaries, allowances and benefits-in-kind *(Note (i))* RMB'000	Performance related bonus RMB'000	Provident fund contributions RMB'000	Total RMB'000
Executive Directors						
Yan Jianguo	*(ii)*	–	–	–	–	–
Luo Liang	*(vi)*	–	1,063	1,000	42	2,105
Zhang Zhichao		–	2,148	850	86	3,084
Guo Guanghui		–	1,945	815	103	2,863
		–	5,156	2,665	231	8,052
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-executive Directors						
Zhuang Yong		–	–	–	–	–
Zhao Wenhai	*(vii)*	–	–	–	–	–
Independent Non-executive Directors						
Li Man Bun, Brian David	*(iii)*	500 (approximately RMB458)	–	–	–	500 (approximately RMB458)
Chan Ka Keung, Ceajer	*(iii)*	500 (approximately RMB458)	–	–	–	500 (approximately RMB458)
Chan Ching Har, Eliza	*(iii), (v)*	500 (approximately RMB458)	–	–	–	500 (approximately RMB458)
		1,500 (approximately RMB1,374)	–	–	–	1,500 (approximately RMB1,374)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

13. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

		For the year ended 31 December 2023 As director				
	Notes	Directors' fees RMB'000	Basic salaries, allowances and benefits-in-kind *(Note (i))* RMB'000	Performance related bonus RMB'000	Provident fund contributions RMB'000	Total RMB'000
Executive Directors						
Yan Jianguo	*(ii)*	–	–	–	–	–
Luo Liang		–	2,307	3,000	98	5,405
Zhang Zhichao		–	2,258	3,300	83	5,641
Guo Guanghui		–	2,021	3,200	98	5,319
		–	6,586	9,500	279	16,365
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-executive Directors						
Zhuang Yong		–	–	–	–	–
Zhao Wenhai		–	–	–	–	–
Independent Non-executive Directors						
Fan Hsu Lai Tai, Rita	*(iii), (iv)*	245 (approximately RMB219)	–	–	–	245 (approximately RMB219)
Li Man Bun, Brian David	*(iii)*	500 (approximately RMB447)	–	–	–	500 (approximately RMB447)
Chan Ka Keung, Ceajer	*(iii)*	500 (approximately RMB447)	–	–	–	500 (approximately RMB447)
Chan Ching Har, Eliza	*(iii), (v)*	255 (approximately RMB228)	–	–	–	255 (approximately RMB228)
		1,500 (approximately RMB1,341)	–	–	–	1,500 (approximately RMB1,341)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

13. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

Notes:

(i) Basic salaries, allowances and benefits-in-kind include housing allowance and non-cash benefits including the expense incurred in respect of the annual leave in lieu and share-based payments.

(ii) Mr. Yan Jianguo decided to waive his director's emoluments and ceased to receive any director's emolument with effect from 1 January 2023.

(iii) The directors' fees are paid in HK$. The RMB amounts are disclosed for presentation purpose only.

(iv) Retired on 28 June 2023.

(v) Appointed on 29 June 2023.

(vi) Retired on 29 August 2024.

(vii) Resigned on 22 January 2025.

The performance related bonus was determined based on the Group's performance for the year.

Of the five individuals with the highest emoluments in the Group, one (2023: three) was director of the Company whose emoluments are included above. The emoluments of the remaining four (2023: two) individuals were set out as follows:

	2024 RMB'000	2023 RMB'000
Basic salaries, allowances and benefits-in-kind	**8,491**	3,776
Performance related bonus	**3,483**	6,000
Provident fund contributions	**444**	196
	12,418	9,972

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2024	2023
HK$3,000,001 to HK$3,500,000	**2**	–
HK$3,500,001 to HK$4,000,000	**2**	–
HK$5,500,001 to HK$6,000,000	**–**	2
	4	2

Save as disclosed above, no directors waived any emoluments in both years ended 31 December 2024 and 2023.

No directors received any emoluments as inducement to join or upon joining the Company or as compensation for loss of office in both years ended 31 December 2024 and 2023.

During the year, Mr. Yan Jianguo held directorship in CSCEC's subsidiaries/associated companies, which engaged in construction, property development and property investment and related businesses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

14. EARNINGS PER SHARE

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

	2024 RMB'000	2023 RMB'000
Earnings		
Earnings for the purpose of calculation of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company	**15,635,658**	25,609,837

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share	**10,944,884**	10,944,884

No adjustment has been made to the basic earnings per share presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share presented.

15. DIVIDENDS

	2024 RMB'000	2023 RMB'000
Dividends recognised as distributions during the year:		
Final dividend for the year ended 31 December 2023 of HK45 cents per share (2023: Final dividend for the year ended 31 December 2022 of HK40 cents per share)	**4,536,107**	3,983,938
Interim dividend for the year ended 31 December 2024 of HK30 cents per share (2023: Interim dividend for the year ended 31 December 2023 of HK35 cents per share)	**2,962,014**	3,581,713
	7,498,121	7,565,651

The final dividend of HK30 cents per share for the year ended 31 December 2024, amounting to approximately RMB3,053,623,000 has been proposed by the Board and is subject to approval by the shareholders at the forthcoming annual general meeting of the Company. The amount of the proposed final dividend, which was calculated based on the number of ordinary shares in issue at the date of approval of the consolidated financial statements, has not been recognised as dividend payable in the consolidated financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets *(Note 35(i))*							
	Leasehold land and buildings RMB'000	Prepaid lease payments for land RMB'000	Other right-of-use assets RMB'000	Hotel buildings RMB'000	Plant, machinery and equipment RMB'000	Furniture, fixtures, office equipment and motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST								
At 1 January 2023	1,799,393	581,526	952,821	4,969,800	201,303	1,157,675	78,037	9,740,555
Additions	–	–	836	73,664	412	130,354	442	205,708
Disposals	(40,573)	–	(620,284)	–	(24)	(16,635)	–	(677,516)
Transfer from investment properties, net	61,360	–	–	–	–	–	–	61,360
Exchange realignment	9,274	–	3,583	–	–	1,700	–	14,557
At 31 December 2023 and 1 January 2024	**1,829,454**	**581,526**	**336,956**	**5,043,464**	**201,691**	**1,273,094**	**78,479**	**9,344,664**
Additions	**266**	**–**	**142**	**17,425**	**3,559**	**174,338**	**2,305**	**198,035**
Disposals	**(21,418)**	**–**	**–**	**–**	**(1,838)**	**(19,231)**	**–**	**(42,487)**
Transfer from investment properties, net	**653,564**	**–**	**–**	**–**	**–**	**–**	**–**	**653,564**
Exchange realignment	**11,045**	**–**	**2,810**	**–**	**–**	**2,217**	**–**	**16,072**
At 31 December 2024	**2,472,911**	**581,526**	**339,908**	**5,060,889**	**203,412**	**1,430,418**	**80,784**	**10,169,848**
DEPRECIATION								
At 1 January 2023	441,049	147,737	604,473	683,400	173,551	604,800	–	2,655,010
Provided for the year	45,070	12,876	102,742	131,695	2,661	110,060	–	405,104
Eliminated on disposals	(5,314)	–	(603,222)	–	(22)	(14,011)	–	(622,569)
Transfer to investment properties	(1,807)	–	–	–	–	–	–	(1,807)
Exchange realignment	2,555	–	1,073	–	–	1,508	–	5,136
At 31 December 2023 and 1 January 2024	**481,553**	**160,613**	**105,066**	**815,095**	**176,190**	**702,357**	**–**	**2,440,874**
Provided for the year	**70,490**	**14,372**	**49,834**	**137,830**	**5,044**	**181,957**	**–**	**459,527**
Eliminated on disposals	**(1,808)**	**–**	**–**	**–**	**(1,595)**	**(18,358)**	**–**	**(21,761)**
Transfer to investment properties	**(17,538)**	**–**	**–**	**–**	**–**	**–**	**–**	**(17,538)**
Exchange realignment	**5,287**	**–**	**1,539**	**–**	**–**	**1,190**	**–**	**8,016**
At 31 December 2024	**537,984**	**174,985**	**156,439**	**952,925**	**179,639**	**867,146**	**–**	**2,869,118**
CARRYING VALUE								
At 31 December 2024	**1,934,927**	**406,541**	**183,469**	**4,107,964**	**23,773**	**563,272**	**80,784**	**7,300,730**
At 31 December 2023	1,347,901	420,913	231,890	4,228,369	25,501	570,737	78,479	6,903,790

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the lease term and the estimated useful lives of the assets
Prepaid lease payments for land	Over the shorter of the lease term and the estimated useful lives of the assets
Other right-of-use assets	3 to 10 years
Hotel buildings	Over the shorter of the lease term and the estimated useful lives of the assets
Plant, machinery and equipment	3 to 10 years
Furniture, fixtures, office equipment and motor vehicles	3 to 8 years

17. INVESTMENT PROPERTIES

	Completed			Under Construction	
	The Chinese mainland RMB'000	Hong Kong and Macau RMB'000	The United Kingdom RMB'000	The Chinese mainland RMB'000	Total RMB'000
FAIR VALUE					
At 1 January 2023	124,080,900	2,172,368	5,166,247	58,807,001	190,226,516
Additions	64,461	3,019	–	13,352,284	13,419,764
Gains arising from changes in fair value of Investment properties	1,267,743	70,379	(803,460)	4,311,059	4,845,721
Transfer upon completion	41,778,744	–	–	(41,778,744)	–
Transfer to property, plant and equipment, net	(63,167)	–	–	–	(63,167)
Disposals	(588,520)	(569,400)	–	–	(1,157,920)
Exchange realignment	–	49,470	425,784	–	475,254
At 31 December 2023 and 1 January 2024	**166,540,161**	**1,725,836**	**4,788,571**	**34,691,600**	**207,746,168**
Additions	**207,217**	**5,916**	**4,340**	**4,173,781**	**4,391,254**
Gains arising from changes in fair value of Investment properties	**(1,663,293)**	**(1,703)**	**10,693**	**2,071,619**	**417,316**
Transfer upon completion	**17,762,000**	**–**	**–**	**(17,762,000)**	**–**
Transfer to property, plant and equipment, net	**(671,102)**	**–**	**–**	**–**	**(671,102)**
Transfer to assets held for sale *(Note)*	**(2,545,229)**	**–**	**–**	**–**	**(2,545,229)**
Disposals	**(990,163)**	**–**	**–**	**–**	**(990,163)**
Exchange realignment	**–**	**41,787**	**9,018**	**–**	**50,805**
At 31 December 2024	**178,639,591**	**1,771,836**	**4,812,622**	**23,175,000**	**208,399,049**

Note: *In December 2024, the Group entered into a sale and purchase agreement with an independent third party to dispose of its certain investment properties in Beijing. The completion date is expected to be on or before 31 December 2025. The abovementioned investment properties amounted to RMB2,545,229,000 are represented in the segment of commercial property operations and had been reclassified to assets held for sale at 31 December 2024.*

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

17. INVESTMENT PROPERTIES *(continued)*

Leasing Arrangements

Investment properties are leased to tenants under operating leases. Where considered necessary to reduce credit risk, the Group may obtain rental deposits from the tenant.

For future minimum lease receivables in leases of investment properties, please refer to note 36.

Investment Properties Valuation

The fair values of the investment properties held by the Group at 31 December 2024 have been arrived on the basis of a valuation carried out on that date by Cushman & Wakefield Limited and KPMG Advisory (China) Limited Shenzhen Branch (2023: Cushman & Wakefield Limited). The current use of the investment properties equates to their highest and best use.

The valuers mentioned above are independent firms of professional valuers not connected with the Group, who have appropriate qualification and recent experience in the valuation of similar properties in the relevant locations.

The Group's finance team reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation assumptions and results are held between management and the valuers at least twice a year when the valuation is performed for interim and annual financial reporting.

All of the Group's investment properties held under 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.

Fair values of the Group's investment properties are categorised as level 3 measurement in the three-level fair value hierarchy. During the year, there were no transfers between different levels within the fair value hierarchy.

The investment properties classified as assets held for sale were stated at fair value with reference to the agreed selling prices as stated in the sale and purchase agreements and the fair value measurement of the properties was classified as level 2 valuation as there was no significant unobservable input.

Fair Value Measurements Using Significant Unobservable Inputs

The valuation for completed investment properties was arrived at by considering the capitalised income derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The valuation for investment properties under construction was arrived at by making reference to comparable selling prices, as available in the relevant market. The estimated construction costs to complete the development and estimated developer's profits at the date of valuation are also taken into account.

There was no change to the valuation techniques during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

17. INVESTMENT PROPERTIES *(continued)*

Fair Value Measurements Using Significant Unobservable Inputs *(continued)*

Information about fair value measurements using significant unobservable inputs

Description	Fair value at 31 December 2024 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties under construction in the Chinese mainland	23,175,000	Residual method	Estimated selling prices	RMB8,910 – RMB106,200 per sq m
			Estimated costs to completion	RMB5,082 – RMB14,789 per sq m
			Estimated developer's profit	6.0% – 19.0%
Completed investment properties in the Chinese mainland	178,639,591	Investment approach	Prevailing market rents	RMB15 – RMB1,059 per sq m per month
			Reversionary yield	2.0% – 8.0%
Completed investment properties in Hong Kong and Macau	1,771,836	Investment approach	Prevailing market rents	HK$15 – HK$240 per sq ft per month
			Reversionary yield	2.2% – 3.8%
Completed investment properties in the United Kingdom	4,812,622	Investment approach	Prevailing market rents	GBP53 – GBP81 per sq ft per year
			Reversionary yield	6.0% – 7.2%

Description	Fair value at 31 December 2023 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investment properties under construction in the Chinese mainland	34,691,600	Residual method	Estimated selling prices	RMB2,527 – RMB120,500 per sq m
			Estimated costs to completion	RMB1,540 – RMB13,500 per sq m
			Estimated developer's profit	7.0% – 20.0%
Completed investment properties in the Chinese mainland	166,540,161	Investment approach	Prevailing market rents	RMB18 – RMB1,041 per sq m per month
			Reversionary yield	2.0% – 8.0%
Completed investment properties in Hong Kong and Macau	1,725,836	Investment approach	Prevailing market rents	HK$15 – HK$240 per sq ft per month
			Reversionary yield	2.1% – 3.8%
Completed investment properties in the United Kingdom	4,788,571	Investment approach	Prevailing market rents	GBP62 – GBP80 per sq ft per year
			Reversionary yield	5.75% – 6.25%

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

17. INVESTMENT PROPERTIES *(continued)*

Fair Value Measurements Using Significant Unobservable Inputs *(continued)*

Information about fair value measurements using significant unobservable inputs *(continued)*

Estimated costs to completion and the developer's profit required are estimated by the independent valuers based on market conditions at the end of the reporting period. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The lower is the costs and developer's profit, the higher is the fair value.

Estimated selling prices and prevailing market rents are estimated based on the independent valuers' view of recent lettings or selling transactions within the subject properties and other comparable properties. The higher is the selling prices and rents, the higher is the fair value.

The reversionary yield is estimated by the independent valuers based on the risk profile of the properties being valued and the market conditions. The lower is the reversionary yield, the higher is the fair value.

18. INTERESTS IN ASSOCIATES

	2024 **RMB'000**	2023 RMB'000
Cost of investments		
Listed in Hong Kong	**4,229,703**	4,229,703
Unlisted	**6,994,690**	8,404,891
Loans to associates *(Note)*	**1,125,347**	1,098,726
Share of post-acquisition profits and losses and other comprehensive income, net of dividends received	**9,717,223**	9,448,831
	22,066,963	23,182,151
Market value of the interest in the listed associate	**2,322,249**	3,292,089

Note: The loans to associates are classified as equity loan in nature. At 31 December 2024 and 2023, the loans to associates are unsecured, interest-free and have no fixed term of repayment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

18. INTERESTS IN ASSOCIATES *(continued)*

Set out below are the particulars of the principal associates at 31 December 2024. In the opinion of the directors of the Company, to give details of other associates would result in particulars of excessive length.

Name of entity	Place of incorporation/ establishment	Place of operation	Proportion of nominal value of issued ordinary capital/registered capital held by the Group 2024	2023	Principal activities
China Overseas Grand Oceans Group Ltd. ("COGO")*	Hong Kong	PRC	**39.63%**	39.63%	Property investment and development, property leasing and investment holding
金茂投資(長沙)有限公司	PRC	PRC	**20%**	20%	Property development
上海佳晟房地產開發有限公司	PRC	PRC	**49%**	49%	Property development
廈門市海貿地產有限公司	PRC	PRC	**50%**	50%	Property development
深圳市招航置業有限公司	PRC	PRC	**30%**	30%	Property development
天津中海海鑫地產有限公司	PRC	PRC	**34%**	34%	Property development
廈門悦琴海聯建設發展有限公司	PRC	PRC	**30%**	30%	Property development
東莞市松潤房地產有限公司	PRC	PRC	**20%**	20%	Property development

* *COGO is listed on the Main Board of the Hong Kong Stock Exchange.*

All of these associates are accounted for using the equity method in these consolidated financial statements.

Set out below is the summarised financial information of an associate of the Group at 31 December 2024 which, in the opinion of the directors of the Company, is material to the Group.

Summarised Statement of Financial Position

	COGO 2024 RMB'000	2023 RMB'000
Current		
Bank balances and cash	**27,290,854**	26,020,603
Other current assets	**93,911,848**	117,613,737
Total current assets	**121,202,702**	143,634,340
Financial liabilities (excluding trade payables)	**(19,017,131)**	(20,467,753)
Other current liabilities (including trade payables)	**(42,749,856)**	(60,837,801)
Total current liabilities	**(61,766,987)**	(81,305,554)
Non-current		
Total non-current assets	**7,980,192**	8,396,114
Financial liabilities	**(27,263,217)**	(30,108,234)
Other liabilities	**(2,601,627)**	(2,487,150)
Total non-current liabilities	**(29,864,844)**	(32,595,384)
Net assets	**37,551,063**	38,129,516

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

18. INTERESTS IN ASSOCIATES *(continued)*

Summarised Statement of Comprehensive income

	COGO	
	2024	2023
	RMB'000	RMB'000
Revenue	**45,895,252**	56,408,144
Depreciation	**(122,404)**	(116,808)
Interest income	**222,817**	372,321
Finance costs	**(59,453)**	(65,237)
Profit before tax	**2,160,744**	4,122,713
Income tax expenses	**(944,903)**	(2,097,753)
Profit for the year	**1,215,841**	2,024,960
Other comprehensive income	**(615,775)**	(291,831)
Total comprehensive income	**600,066**	1,733,129
Dividends received from COGO	**181,683**	259,497

Reconciliation of Summarised Financial Information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associate:

	COGO	
	2024	2023
	RMB'000	RMB'000
Opening net assets at 1 January	**38,129,516**	37,401,152
Profit for the year	**1,215,841**	2,024,960
Other comprehensive income	**(615,775)**	(291,831)
Dividends paid	**(458,390)**	(654,718)
Other equity movement	**212,450**	6,199
Reserve movement from non-controlling interests	**(932,579)**	(356,246)
Closing net assets at 31 December	**37,551,063**	38,129,516
Non-controlling interests	**(6,155,196)**	(6,825,984)
Equity attributable to owners of the associate	**31,395,867**	31,303,532
Group's effective interest	**39.63%**	39.63%
Carrying value of the Group's interest at 31 December	**12,443,752**	12,407,155

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

18. INTERESTS IN ASSOCIATES *(continued)*

Aggregate Information of Associates that are not Individually Material

	2024 RMB'000	2023 RMB'000
The Group's share of profit and losses for the year	**497,264**	220,061
The Group's share of total comprehensive income for the year	**497,264**	220,061
Aggregate carrying amount of the Group's interests in these associates	**9,623,211**	10,774,996

The financial guarantees granted to the Group's associates are disclosed in note 39.

19. INTERESTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Cost of investments, unlisted	**5,810,684**	6,105,907
Loans to joint ventures *(Note)*	**13,576,752**	11,988,165
Share of post-acquisition profits and losses and other comprehensive income, net of dividends received	**4,442,679**	5,025,940
	23,830,115	23,120,012

Note: The loans to joint ventures are classified as equity loan in nature. At 31 December 2024, the loans to joint ventures are unsecured, interest-free and have no fixed term of repayment, except for the amounts of RMB642,983,000, which bear fixed interest rates at 2% per annum. At 31 December 2023, the loans to joint ventures are unsecured, interest-free and have no fixed term of repayment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

19. INTERESTS IN JOINT VENTURES *(continued)*

Set out below are the particulars of the principal joint ventures at 31 December 2024. In the opinion of the directors of the Company, to give details of other joint ventures would result in particulars of excessive length.

Name of entity	Place of incorporation/ establishment	Place of operation	Proportion of nominal value of issued ordinary capital/registered capital held by the Group 2024	2023	Principal activities
Ultra Keen Holdings Limited	Hong Kong	Hong Kong	30%^	30%^	Property development
Infinite Sun Limited	Hong Kong	Hong Kong	30%^	30%^	Property development
Dragon Star H.K. Investments Limited	Hong Kong	Hong Kong	20%^	20%^	Property development
Marble Edge Investments Limited	Hong Kong	Hong Kong	18%^	18%^	Property development
Grand Ample Limited	Hong Kong	Hong Kong	33.3%^	33.3%^	Property development
Asia Power Development Limited	Hong Kong	Hong Kong	50%^	50%^	Property development
Capital Asian Limited	Hong Kong	Hong Kong	20%^	20%^	Property development
重慶嘉益商業管理有限公司	PRC	PRC	50%^	50%^	Property development
中海保利達地產(佛山)有限公司	PRC	PRC	50%^	50%^	Property development
北京南悦房地產開發有限公司	PRC	PRC	35%^	35%^	Property development
青島海捷置業有限公司	PRC	PRC	50%^	50%^	Property development

^ *The Group exercises joint control over decisions about the relevant activities which require unanimous consent with other joint venture partners in accordance with joint venture agreements and/or the companies' articles, and accordingly, these companies have been accounted for as joint ventures.*

All of these joint ventures are accounted for using the equity method in these consolidated financial statements. In the opinion of the directors of the Company, there are no individually material joint ventures.

Aggregate Information of Joint Ventures that are not Individually Material

	2024 RMB'000	2023 RMB'000
The Group's share of profit and losses for the year	(226,353)	377,138
The Group's share of total comprehensive income for the year	(226,353)	377,138
Aggregate carrying amount of the Group's interests in these joint ventures	23,830,115	23,120,012

The financial guarantees granted to the Group's joint ventures are disclosed in note 39.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Investments in unlisted equity securities in the PRC	**288,382**	218,173

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income. For information about the method used in determining fair value, please refer to note 6.

21. STOCK OF PROPERTIES AND OTHER INVENTORIES

	2024 RMB'000	2023 RMB'000
Completed properties	**149,175,084**	152,403,907
Properties under development *(Note)*	**304,925,693**	335,083,566
Total stock of properties	**454,100,777**	487,487,473
Other inventories	**173,669**	153,331
	454,274,446	487,640,804

Note: Included in the amount are properties under development of RMB147,561,722,000 (2023: RMB189,154,192,000) which are not expected to be realised within twelve months from the end of the reporting period.

At 31 December 2024, stock of properties included the costs incurred in fulfilling customer contracts amounting to RMB118,632,236,000 (2023: RMB81,610,483,000).

At 31 December 2024, the stock of properties included costs incurred for a project in Beijing of RMB457,281,000 (2023: RMB1,115,591,000), whereby the Group entered into agreements with the Beijing local government for land development works which included but is not limited to the relocation of residents and infrastructure constructions, and subsequent development of residential properties for sale.

22. LAND DEVELOPMENT EXPENDITURE

	2024 RMB'000	2023 RMB'000
Costs incurred	**5,961,031**	8,604,923

The Group entered into agreements ("Agreements") with the local government to redevelop some lands in respective cities. The Group assists the local government for the land redevelopment works, which included but is not limited to the removal of the existing buildings situated on the land, the relocation of the existing residents, the provision of infrastructure systems including roads, the drainage system, water, gas and electricity supply and the construction of public facilities. Pursuant to the Agreements, the Group will be reimbursed for the actual costs incurred in carrying out the land development and be entitled to the fixed returns irrespective of whether the Group will obtain the land use rights of the land in the future. The fixed return is recognised as income from primary land development under other income in the consolidated financial statements with reference to the progress for the land redevelopment works.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

23. TRADE AND OTHER RECEIVABLES

Proceeds receivable in respect of property development are settled in accordance with the terms stipulated in the sale and purchase agreements.

Except for the proceeds from property development and rental income which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

At the end of the reporting period, the ageing analysis of trade receivables, based on the date the trade receivables recognised, is as follows:

	2024 **RMB'000**	2023 RMB'000
Trade receivables, aged		
0 – 30 days	**424,195**	2,613,405
31 – 90 days	**262,063**	423,093
Over 90 days	**903,910**	971,682
	1,590,168	4,008,180
Other receivables – current portion	**1,815,902**	2,978,926
	3,406,070	6,987,106

In determining the recoverability of trade receivables, management has closely monitored the credit qualities and the collectability of these receivables and considers that the expected credit risks of them are minimal in view of the track record of repayment from them, the history of cooperation with them and forward-looking information. The concentration of credit risk is limited due to the customer base being large and unrelated. The provision of trade and other receivables was insignificant at the end of the reporting period (2023: insignificant).

24. AMOUNTS DUE FROM ASSOCIATES/JOINT VENTURES/ NON-CONTROLLING SHAREHOLDERS

At 31 December 2024, the amounts due from associates are unsecured, interest-free and recoverable on demand. At 31 December 2023, the amounts due from associates are unsecured, interest-free and recoverable on demand except for the amounts of RMB100,562,000 which bore fixed interest rate of 6.5% per annum.

At 31 December 2024, the amounts due from joint ventures are unsecured, interest-free and recoverable on demand, except for the amounts of RMB2,231,667,000 (2023: RMB4,510,609,000) which bear fixed interest rates, ranging from 3.1% to 12.0% (2023: 3.1% to 12.0%) per annum.

At 31 December 2024 and 2023, the amounts due from non-controlling shareholders are unsecured, interest-free and recoverable on demand.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

25. BANK BALANCES AND CASH

At 31 December 2024, bank balances and cash included cash and cash equivalents of RMB123,892,213,000 (2023: RMB105,344,021,000) and restricted bank deposits of RMB276,015,000 (2023: RMB285,012,000). The restricted bank deposits are mainly guarantee deposits designated for certain property development projects.

At 31 December 2024, current deposits of RMB124,772,000 (2023: RMB39,330,000), which carried interest rates ranging from 0.355% to 1.25% (2023: 0.2% to 1.73%) per annum, were placed by the Group in China State Construction Finance Limited ("CSCFL"), a fellow subsidiary of the Company and a non-bank financial institution approved by the China Banking and Insurance Regulatory Commission. This related party transaction also constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules.

All bank deposits of the Group carry interest at market rates ranging from 0.001% to 5.3% (2023: 0.001% to 5.76%) per annum.

Cash and cash equivalents included the regulated pre-sales proceeds of properties of RMB24,955,254,000 (2023: RMB20,842,542,000). In accordance with applicable prevailing government regulation, the deposits can only be used for payments of construction cost of related property projects. Such deposits will be released according to the completion stage of the related properties.

At the end of the reporting period, the Group had the following major bank balances and cash denominated in the following currencies:

	2024 **RMB'000**	2023 RMB'000
Bank balances and cash denominated in:		
RMB	**122,032,482**	102,014,070
HK$	**1,544,028**	1,806,683
US$	**367,809**	1,549,052

The reconciliation of liabilities arising from financing activities is as follows:

	Bank and other borrowings RMB'000	Guaranteed notes and corporate bonds RMB'000	Accrued interest RMB'000	Amounts due to fellow subsidiaries and a related company RMB'000	Amounts due to associates RMB'000	Amounts due to joint ventures RMB'000	Amounts due to non-controlling shareholders RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	165,552,630	104,832,616	1,279,479	3,625,206	1,635,770	4,408,323	13,712,388	1,157,533	296,203,945
Financing cash flow	(1,896,699)	(13,685,324)	(9,662,232)	(1,110,968)	2,592,379	(395,992)	(5,498,142)	(110,758)	(29,767,736)
Acquisition of subsidiaries	–	–	–	–	–	–	123,649	–	123,649
Exchange realignment	1,696,794	1,194,675	9,802	51,700	–	–	(21)	2,691	2,955,641
Other non-cash movements	(54,831)	24,275	9,585,825	–	–	12,638	310,800	5,198	9,883,905
At 31 December 2023 and 1 January 2024	**165,297,894**	**92,366,242**	**1,212,874**	**2,565,938**	**4,228,149**	**4,024,969**	**8,648,674**	**1,054,664**	**279,399,404**
Financing cash flow	**194,806**	**(17,745,780)**	**(8,969,497)**	**(1,108,860)**	**1,258,250**	**(93,298)**	**4,923,891**	**(109,827)**	**(21,650,315)**
Exchange realignment	**642,631**	**767,625**	**6,125**	**18,121**	**–**	**365**	**–**	**1,402**	**1,436,269**
Other non-cash movements	**21,665**	**18,895**	**8,787,751**	**–**	**–**	**(93,631)**	**144,865**	**36,970**	**8,916,515**
At 31 December 2024	**166,156,996**	**75,406,982**	**1,037,253**	**1,475,199**	**5,486,399**	**3,838,405**	**13,717,430**	**983,209**	**268,101,873**

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

26. TRADE AND OTHER PAYABLES

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

	2024 RMB'000	2023 RMB'000
Trade payables, aged		
0 – 30 days	**12,341,117**	33,671,880
31 – 90 days	**3,715,087**	4,014,511
Over 90 days	**25,790,833**	31,131,232
	41,847,037	68,817,623
Other payables	**7,657,954**	10,706,239
Retention payable	**6,095,740**	6,160,349
	55,600,731	85,684,211

Other payables mainly include rental and other deposits, other taxes payable and accrued charges.

Of the other payables and retention payable, an amount of RMB4,685,092,000 (2023: RMB4,923,290,000) is due beyond twelve months from the end of the reporting period.

The trade payables are non-interest-bearing and are normally settled within 60 days. The financial liabilities that are part of the Group's supplier finance arrangements included in trade payables are normally settled within 180 days.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers of material procurement in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive payments from the Group's external finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. The Group settles the original invoice by paying the finance provider at a later date as agreed with the finance provider. The Group provides no security to the finance provider.

All financial liabilities that are part of the supplier finance arrangements are included in trade and other payables in the consolidated statement of financial position and within trade payables.

	2024 RMB'000	2023 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:		
Trade and other payables	**1,629,318**	–
Of which suppliers have received payments	**1,618,542**	–

For financial liabilities that are part of the supplier finance arrangements included in trade and other payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

27. CONTRACT ASSETS AND PRE-SALES PROCEEDS

Details of contract assets are as follows:

	2024 RMB'000	2023 RMB'000
Contract assets related to sales of properties *(Note (i))*	94,205	414,244
Costs for obtaining contracts *(Note (ii))*	453,246	579,297
Total	547,451	993,541

Notes:

(i) *Contract assets consist of unbilled amounts resulting from sales of properties when revenue recognised exceeds the amounts billed to the customer.*

The decrease in contract assets for the year ended 31 December 2024 was the result of the increase in the amounts billed to the customer during the year.

(ii) *Management expects that the incremental costs, primarily sales commissions and stamp duties, as a result of obtaining the pre-sale property contracts, are recoverable. The Group has capitalised the amounts and amortised when the related revenue is recognised. For the years ended 31 December 2024 and 2023, there was no impairment loss in relation to the costs capitalised.*

(iii) *In determining the recoverability of contract assets, management has closely monitored the credit qualities and the collectability of the assets and considers that the expected credit risks of them are minimal in view of the track record of repayment from them, the history of cooperation with them and forward-looking information. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the provision of contract assets was insignificant at the end of the reporting period (2023: insignificant).*

At 31 December 2024, contract assets with a carrying amount of RMB453,948,000 (2023: RMB874,879,000) are expected to be recovered within twelve months from the end of the reporting period.

(iv) *Total contract assets as at 1 January 2023 consist of contract assets related to sales of properties of RMB689,403,000 and costs for obtaining contracts of RMB589,033,000.*

Details of pre-sales proceeds are as follows:

	2024 RMB'000	2023 RMB'000
Contract liabilities related to sales of properties *(Note (v))*	121,617,904	99,675,470
Value-added tax related to sales of properties as included in pre-sales proceeds	10,924,846	8,943,571
Total pre-sales proceeds	132,542,750	108,619,041

(v) *The increase in contract liabilities during the year was in line with the increase in the payments received from customers for the year.*

(vi) *Total pre-sales proceeds as at 1 January 2023 consist of contract liabilities related to sales of properties of RMB98,814,408,000 and value-added tax related to sales of properties as included in pre-sales proceeds of RMB8,861,525,000.*

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

27. CONTRACT ASSETS AND PRE-SALES PROCEEDS *(continued)*

The Group receives payments from customers based on the billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

The following table shows the amount of revenue recognised in the current reporting period in relation to carried-forward contract liabilities:

	2024 **RMB'000**	2023 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**68,340,197**	88,369,154

Management expects that the transaction price allocated to the unsatisfied contracts related to sales of properties at 31 December 2024 amounting to RMB164,160,155,000 (2023: RMB116,019,514,000) will be recognised as revenue within the coming three financial years.

28. AMOUNTS DUE TO FELLOW SUBSIDIARIES AND A RELATED COMPANY/ASSOCIATES/JOINT VENTURES

At 31 December 2024 and 2023, all the amounts due to fellow subsidiaries and a related company are unsecured, interest-free and repayable on demand.

At 31 December 2024 and 2023, the amounts due to associates are unsecured, interest-free and repayable on demand.

At 31 December 2024, the amounts due to joint ventures are unsecured, interest-free and repayable on demand, except for the amounts of RMB579,503,000 (2023: RMB567,857,000), which bear fixed interest rates at 2.18% (2023: 2.18%) per annum.

29. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

At 31 December 2024, the amounts due to non-controlling shareholders are unsecured, interest-free and repayable on demand, except for the amounts of RMB279,010,000 (2023: RMB1,423,955,000) which bear fixed interest rates ranging from 4.35% to 6.0% (2023: ranging from 5.0% to 6.0%) per annum.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

30. SHARE CAPITAL

	Number of shares '000	HK$'000	RMB'000
Issued and fully paid			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**10,944,884**	**90,422,641**	**74,035,443**

Share-based Payments

Share Option Scheme of the Company

On 29 June 2018, the Company offered to grant share options (the "2018 Share Options") to certain eligible persons (collectively, the "2018 Options Grantees"), to subscribe for a total of 107,320,000 shares of the Company, subject to acceptance of the 2018 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018 (the "Share Option Scheme"). Out of 107,320,000 shares of 2018 Share Options granted, a total of 2,000,000 shares were granted to directors of the Company. The exercise price is HK$25.85 per share.

One-third of the 2018 Share Options granted may be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2018 Share Options on the date of grant was HK$25.85 per share.

On 24 November 2020, the Company offered to grant share options (the "2020 Share Options") to certain eligible persons (collectively, the "2020 Options Grantees"), to subscribe for a total of 285,840,000 shares of the Company, subject to acceptance of the 2020 Options Grantees, under the Share Option Scheme. Out of 285,840,000 shares of 2020 Share Options granted, a total of 6,300,000 shares were granted to directors of the Company. The exercise price is HK$18.724 per share.

One-third of the 2020 Share Options granted may be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2020 Share Options on the date of grant was HK$17.96 per share.

On 11 November 2021, the Company offered to grant share options (the "2021 Share Options") to certain eligible persons (collectively, the "2021 Options Grantees"), to subscribe for a total of 7,130,000 shares of the Company, subject to acceptance of the 2021 Options Grantees, under the Share Option Scheme. Out of 7,130,000 shares of 2021 Share Options granted, a total of 1,600,000 shares were granted to a director of the Company. The exercise price is HK$18.70 per share.

One-third of the 2021 Share Options granted may be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025 subject to the exercise conditions under the terms of the Share Option Scheme. The closing price of 2021 Share Options on the date of grant was HK$18.70 per share.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

30. SHARE CAPITAL *(continued)*

Share-based Payments *(continued)*

Share Option Scheme of the Company *(continued)*

The fair values of the 2018 Share Options on 29 June 2018, the 2020 Share Options on 24 November 2020 and the 2021 Share Options on 11 November 2021 determined using the Binomial Options Pricing Model were HK$6.36, HK$2.64 and HK$2.89 per share, respectively. The significant inputs adopted in the model include:

Risk-free rate	2018 Share Options: 2.12% with reference to the market yield rates of the Hong Kong Government Bond (maturing 21 June 2021 and 6 December 2021) as of 29 June 2018 2020 Share Options: 0.34% with reference to the market yield rates of the Hong Kong Government Bond (maturing 20 August 2025 and 27 August 2027) as of 24 November 2020 2021 Share Options: 1.42% with reference to the Hong Kong Dollar Swap Rate (5Y and 7Y) as of 11 November 2021
Historical volatility	31.91%, 31.89% and 31.31% calculated based on the historical price with a period equals to the life of the 2018, 2020 and 2021 Share Options, respectively
Cap of the share-based payments	40% of the respective Grantees' remuneration for the 2018 Share Options
Dividend yield	3.09%, 5.68% and 6.31% based on the average dividend yield in the past six years for the 2018, 2020 and 2021 Share Options, respectively
Expected option life	6 years for 2018, 2020 and 2021 Share Options

The Binomial Options Pricing Model for the share options requires inputs of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

30. SHARE CAPITAL *(continued)*

Share-based Payments *(continued)*

Share Option Scheme of the Company *(continued)*

Set out below are movements of the share option under the Share Option Scheme:

	2024		2023	
	Average exercise price per share	Number of share options	Average exercise price per share	Number of share options
At 1 January	**HK$21.44**	**139,430,500**	HK$19.96	326,112,500
Lapsed/forfeited during the year *(Note 1)*	**HK$25.41**	**(56,692,500)**	HK$20.48	(14,526,000)
Cancelled during the year *(Note 2)*	**HK$18.72**	**(82,738,000)**	HK$18.72	(172,156,000)
At 31 December	**–**	**–**	HK$21.44	139,430,500

Notes:

1. *A total of 51,440,500 shares of 2018 Share Options were expired and have been lapsed during the year ended 31 December 2024. The remainder of 5,252,000 shares (2023: 14,526,000 shares) represented Share Options forfeited upon the resignation of certain eligible persons which the Share Options are exercisable during the year ended 31 December 2024.*

2. *During the year ended 31 December 2024, all the remaining 2020 Share Options and 2021 Share Options (2023: the first tranche and second tranche of the 2020 Share Options, and the first tranche of the 2021 Share Option) have been cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme.*

No options were granted and exercised during both years.

31. BANK AND OTHER BORROWINGS

	2024 RMB'000	2023 RMB'000
Bank and other borrowings		
– secured	**48,955,798**	38,756,596
– unsecured	**117,201,198**	126,541,298
	166,156,996	165,297,894

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

31. BANK AND OTHER BORROWINGS *(continued)*

	2024 RMB'000	2023 RMB'000
The bank and other borrowings are repayable as follows:		
Within one year	**16,633,612**	21,157,995
More than one year, but not exceeding two years	**32,947,808**	27,041,275
More than two years, but not exceeding five years	**85,247,887**	83,655,349
After five years	**31,327,689**	33,443,275
Total bank and other borrowings	**166,156,996**	165,297,894
Less: Amounts classified as current liabilities	**(16,633,612)**	(21,157,995)
Amounts classified as non-current liabilities	**149,523,384**	144,139,899

Borrowings of the Group with a carrying amount of RMB150,696,157,000 (2023: RMB122,252,323,000) bear interest at rates ranging from 1.85% to 7.00% (2023: 2.20% to 7.00%) per annum and are denominated in RMB. Borrowings of the Group amounting to Nil (2023: RMB904,141,000), which are denominated in GBP, are based on the Sterling Overnight Index Average Rate plus a specified margin per annum. The remaining borrowings of the Group amounting to RMB15,460,839,000 (2023: RMB42,141,430,000), which are denominated in HK$, are based on the HIBOR plus a specified margin per annum or bear interest at rates per annum ranging from 1.70% to 2.78% (2023: 1.70% to 2.80%).

At 31 December 2024, unsecured borrowings of RMB177,300,000 (2023: RMB40,000,000) provided to the Group by CSCFL, which carried interest rates ranging from 2.25% to 2.70% (2023: at 2.60%) per annum.

The Group's average borrowing cost is 3.1% (2023:3.55%) per annum. The borrowings amounting to RMB36,514,527,000 (2023: RMB28,567,661,000) and RMB129,642,469,000 (2023: RMB136,730,233,000) are carried at fixed interest rates and variable interest rates respectively.

At 31 December 2024 and 2023, secured bank and other borrowings of the Group were pledged by certain assets as set out in note 40.

The unsecured bank loan of RMB53,428,462,000 (2023: RMB55,343,906,000) and secured bank loans of RMB2,059,410,000 (2023: RMB4,980,200,000), classified as non-current liabilities at 31 December 2024, are subject to certain financial covenants, including debt-to-equity ratios, current ratios, minimum tangible net worth requirements, the ratio of net borrowing to tangible net worth, the ratio of net borrowing (excluding contingent liabilities) to tangible net worth, and the ratio of secured borrowings to tangible net worth. Subject to the respective facility agreement requirements, these covenants are either tested semi-annually on 30 June and 31 December of each year until maturity or required to be complied with at all times as long as the facility amount remains outstanding. The Group has complied with these covenants under the relevant facility agreement at 31 December 2024. Management expects the Group will comply with these financial covenants within 12 months after the end of the reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

32. GUARANTEED NOTES AND CORPORATE BONDS

	2024 RMB'000	2023 RMB'000
The guaranteed notes and corporate bonds are repayable as follows:		
Within one year	**11,956,352**	19,810,287
More than one year, but not exceeding two years	**11,587,746**	18,715,612
More than two years, but not exceeding five years	**36,118,912**	34,580,751
After five years	**15,743,972**	19,259,592
Total guaranteed notes and corporate bonds	**75,406,982**	92,366,242
Less: Amounts classified as current liabilities	**(11,956,352)**	(19,810,287)
Amounts classified as non-current liabilities	**63,450,630**	72,555,955

At 31 December 2024 and 2023, the Group has the following guaranteed notes and corporate bonds issued with similar terms and conditions and different features:

Interest commencement date	Principal amount (in million)	Issue price	Fixed interest rate per annum	Maturity date	Fair value at 31 December 2024(vi) RMB'000	Carrying amount at 31 December 2024 RMB'000	2023 RMB'000
15 November 2012	US$300(i)	99.792%	5.35%(iv)	15 November 2042	**1,935,473**	**2,145,274**	2,093,981
29 October 2013	US$500(i)	99.510%	6.375%(iv)	29 October 2043	**3,628,420**	**3,576,692**	3,491,330
8 May 2014	US$450(i)	99.554%	5.95%(iv)	8 May 2024	**–**	**–**	3,165,960
8 May 2014	US$250(i)	103.080%	5.95%(iv)	8 May 2024	**–**	**–**	1,761,747
11 June 2014	US$500(i)	99.445%	6.45%(iv)	11 June 2034	**3,770,798**	**3,580,354**	3,493,888
23 August 2016	RMB6,000(iii)	100%	3.60%(v)	23 August 2026	**1,949,368**	**1,900,000**	1,900,000
26 April 2018	US$750(i)	99.646%	4.75%(iv)	26 April 2028	**5,327,013**	**5,426,222**	5,294,060
24 January 2019	RMB1,500(iii)	100%	3.75%(v)	24 January 2026	**–**	**–**	1,500,000
15 July 2019	HK$2,000(i)	100%	2.90%(v)	15 January 2025	**–**	**–**	1,814,568
15 July 2019	US$450(i)	99.849%	3.45%(iv)	15 July 2029	**3,006,846**	**3,264,563**	3,185,987
27 November 2019	US$294(i)	99.173%	3.05%(iv)	27 November 2029	**1,918,420**	**2,128,127**	2,075,619
2 March 2020	US$300(i)	99.570%	2.375%(iv)	2 March 2025	**2,145,600**	**2,156,352**	2,116,044
2 March 2020	US$500(i)	99.247%	2.75%(iv)	2 March 2030	**3,172,586**	**3,598,420**	3,510,006
2 March 2020	US$200(i)	99.857%	3.125%(iv)	2 March 2035	**1,150,932**	**1,443,233**	1,408,782
15 January 2021	RMB1,500	100%	3.35%(v)	15 January 2024	**–**	**–**	1,500,000
23 March 2021	RMB1,001(ii)(vii)	100%	3.85%(iv)	23 March 2039	**–**	**–**	998,200
15 June 2021	RMB2,000	100%	3.25%(v)	15 June 2024	**–**	**–**	2,000,000
15 June 2021	RMB1,000	100%	3.55%(v)	15 June 2026	**1,022,467**	**1,000,000**	1,000,000
23 June 2021	RMB2,101(ii)(vii)	100%	3.60%(iv)	23 June 2039	**–**	**–**	1,999,200
12 July 2021	RMB2,000(ii)	100%	3.25%(v)	12 July 2025	**–**	**–**	2,000,000
9 August 2021	RMB1,500(iii)	100%	3.25%(v)	9 August 2028	**1,529,905**	**1,500,000**	1,500,000
10 November 2021	RMB1,901(ii)(vii)	100%	3.50%(iv)	10 November 2039	**–**	**–**	1,885,180
25 November 2021	RMB1,700	100%	3.08%(v)	25 November 2024	**–**	**–**	1,700,000
25 November 2021	RMB1,200	100%	3.38%(v)	25 November 2026	**1,229,752**	**1,200,000**	1,200,000
20 December 2021	RMB1,300	100%	2.98%(v)	20 December 2024	**–**	**–**	1,300,000
20 December 2021	RMB800	100%	3.38%(v)	20 December 2026	**820,513**	**800,000**	800,000
14 January 2022	RMB1,800	100%	2.88%(v)	14 January 2025	**1,800,673**	**1,800,000**	1,800,000

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

32. GUARANTEED NOTES AND CORPORATE BONDS *(continued)*

At 31 December 2024 and 2023, the Group has the following guaranteed notes and corporate bonds issued with similar terms and conditions and different features: *(continued)*

Interest commencement date	Principal amount (in million)	Issue price	Fixed interest rate per annum	Maturity date	Fair value at 31 December 2024[vi] RMB'000	Carrying amount at 31 December 2024 RMB'000	2023 RMB'000
14 January 2022	RMB1,200	100%	3.25%[v]	14 January 2027	1,229,392	1,200,000	1,200,000
23 February 2022	RMB1,000	100%	3.22%[v]	23 February 2027	1,025,057	1,000,000	1,000,000
29 March 2022	RMB5,001[ii][vii]	100%	3.35%[iv]	29 March 2040	–	–	4,985,000
7 April 2022	RMB2,000	100%	3.05%[v]	7 April 2025	2,006,576	2,000,000	2,000,000
7 April 2022	RMB1,000	100%	3.50%[v]	7 April 2027	1,031,816	1,000,000	1,000,000
10 May 2022	RMB1,500	100%	2.75%[v]	10 May 2025	1,504,576	1,500,000	1,500,000
10 May 2022	RMB1,500	100%	3.48%[v]	10 May 2027	1,548,843	1,500,000	1,500,000
27 May 2022	RMB2,000	100%	2.63%[v]	27 May 2025	2,006,126	2,000,000	2,000,000
27 May 2022	RMB1,000	100%	3.10%[v]	27 May 2027	1,024,969	1,000,000	1,000,000
25 July 2022	RMB2,000	100%	3.26%[v]	25 July 2027	2,060,892	2,000,000	2,000,000
20 September 2022	RMB1,000	100%	2.40%[v]	20 September 2025	1,003,628	1,000,000	1,000,000
20 September 2022	RMB500	100%	3.15%[v]	20 September 2027	514,391	500,000	500,000
27 October 2022	RMB1,000	100%	2.85%[v]	27 October 2027	1,022,122	1,000,000	1,000,000
14 December 2022	RMB2,000	100%	2.70%[v]	14 December 2027	2,037,570	2,000,000	2,000,000
14 December 2022	RMB1,000	100%	2.70%[v]	14 December 2027	1,018,785	1,000,000	1,000,000
20 December 2022	RMB1,500	100%	2.25%[v]	20 December 2025	1,505,115	1,500,000	1,500,000
20 December 2022	RMB1,500	100%	2.70%[v]	20 December 2027	1,527,805	1,500,000	1,500,000
25 October 2023	RMB3,190	100%	3.50%[iv]	25 October 2026	3,191,416	3,187,745	3,186,690
7 November 2023	RMB2,000	100%	2.90%[v]	7 November 2026	2,031,108	2,000,000	2,000,000
7 November 2023	RMB1,000	100%	3.25%[v]	7 November 2028	1,038,700	1,000,000	1,000,000
12 December 2023	RMB3,000	100%	3.20%[v]	12 December 2028	3,112,443	3,000,000	3,000,000
24 January 2024	RMB1,500	100%	2.80%[v]	24 January 2027	1,523,665	1,500,000	–
24 January 2024	RMB1,500	100%	3.05%[v]	24 January 2029	1,549,017	1,500,000	–
24 April 2024	RMB3,000	100%	2.68%[v]	24 April 2029	3,057,393	3,000,000	–
28 November 2024	RMB1,600	100%	2.35%[v]	28 November 2029	1,610,101	1,600,000	–
28 November 2024	RMB1,400	100%	2.70%[v]	28 November 2034	1,412,610	1,400,000	–
					75,002,882	75,406,982	92,366,242
		Less: Amounts classified as current liabilities				(11,956,352)	(19,810,287)
		Amounts classified as non-current liabilities				63,450,630	72,555,955

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

32. GUARANTEED NOTES AND CORPORATE BONDS *(continued)*

Notes:

(i) *The guaranteed notes are unconditionally and irrevocably guaranteed by the Company. They shall become immediately due and payable in the event of the failure to perform or observe certain conditions set out in the trust deed which include, inter alia, the negative pledge given by the Company and the related subsidiaries.*

(ii) *The guaranteed notes and corporate bonds are with terms for adjustment of the interest rate and sell back option at the end of the third year from interest commencement date.*

(iii) *The guaranteed notes and corporate bonds are with terms for adjustment of the interest rate and sell back option at the end of the fifth year from interest commencement date.*

(iv) *Payable semi-annually.*

(v) *Payable annually.*

(vi) *The fair values of the guaranteed notes and corporate bonds at 31 December 2024 were determined based on the closing market prices of the guaranteed notes and corporate bonds and are within Level 1 of the fair value hierarchy.*

(vii) *Representing commercial mortgage-backed securities guaranteed by a subsidiary of the Company, and secured by certain assets of the Group at 31 December 2023 as set out in note 40.*

33. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior years.

Deferred tax liabilities/(assets)

	Accelerated tax depreciation RMB'000	Revaluation of properties RMB'000	Fair value adjustment on properties RMB'000	Undistributed earnings of PRC subsidiaries and joint ventures RMB'000	Other taxable temporary differences RMB'000	Unrealised profit RMB'000	Unused tax loss RMB'000	Provision for LAT RMB'000	Other deductible temporary differences RMB'000	Right-of-use Assets RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	14,892	17,895,124	5,556,813	116,021	1,829,455	(97,291)	(599,402)	(4,455,687)	(866,854)	263,989	(263,989)	19,393,071
Acquisition of subsidiaries	–	–	338,671	–	–	–	(57,105)	(99,514)	(3,611)	–	–	178,441
Charged/(credited) to profit or loss	(5,197)	1,441,216	(1,867,360)	–	279,290	(37,901)	(116,238)	483,702	94,944	(27,300)	6,743	251,899
Exchange realignment	393	–	–	–	–	–	(1,679)	–	–	–	–	(1,286)
At 31 December 2023 and 1 January 2024	**10,088**	**19,336,340**	**4,028,124**	**116,021**	**2,108,745**	**(135,192)**	**(774,424)**	**(4,071,499)**	**(775,521)**	**236,689**	**(257,246)**	**19,822,125**
Charged/(credited) to profit or loss	**803**	**101,768**	**(359,894)**	**–**	**382,113**	**44,002**	**(962,107)**	**1,488,833**	**(87,468)**	**(45,678)**	**24,178**	**586,550**
Exchange realignment	**259**	**–**	**–**	**–**	**–**	**–**	**(516)**	**–**	**(16)**	**–**	**–**	**(273)**
31 December 2024	**11,150**	**19,438,108**	**3,668,230**	**116,021**	**2,490,858**	**(91,190)**	**(1,737,047)**	**(2,582,666)**	**(863,005)**	**191,011**	**(233,068)**	**20,408,402**

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

33. DEFERRED TAX *(continued)*

Deferred tax liabilities/(assets) *(continued)*

The following is an analysis of the deferred tax balances for financial reporting purpose:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets	(7,324,894)	(7,513,453)
Net deferred tax liabilities	27,733,296	27,335,578
	20,408,402	19,822,125

Under the CIT Law of PRC, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB13,942,636,000 (2023: RMB12,845,110,000) has not been provided for in the consolidated financial statements as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

At the end of the reporting period, the Group had unused tax losses of RMB12,720,198,000 (2023: RMB8,102,786,000) available for offsetting against future profits, of which RMB6,974,882,000 (2023: RMB2,951,469,000) tax losses have been recognised as deferred tax assets. No deferred tax asset has been recognised on the remaining tax losses of RMB5,745,316,000 (2023: RMB5,151,317,000) in respect of such tax losses due to the unpredictability of future profit streams. Included in the unused tax losses are losses of RMB8,366,776,000 (2023: RMB4,408,145,000) that will expire within five years from the end of the reporting period. Other tax losses may be carried forward indefinitely.

34. GOODWILL

	2024 RMB'000	2023 RMB'000
Carrying amounts	56,395	56,395

The amount represented goodwill arising from acquisition of the entire equity interest in Hua Yi Designing Consultants Limited ("Hua Yi"). Hua Yi and its subsidiary are principally engaged in the provision of construction and building design consultancy services. For the purpose of impairment testing, the attributable amount of goodwill, having indefinite useful lives, has been allocated to the other operations category in the reportable segment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

35. LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000
Investment properties	776,000	802,000
Property, plant and equipment		
Leasehold land and buildings	1,934,927	1,347,901
Prepaid lease payments for land	406,541	420,913
Other right-of-use assets	183,469	231,890
	3,300,937	2,802,704
Lease Liabilities		
Current	117,756	94,230
Non-current	865,453	960,434
	983,209	1,054,664

Additions to right-of-use assets during the year ended 31 December 2024 are RMB408,000 (2023: RMB836,000).

(ii) Amounts recognised in the consolidated income statement

The following amounts relating to leases were recognised in the consolidated income statement:

	2024 RMB'000	2023 RMB'000
Depreciation of right-of-use assets	134,696	160,688
Expenses related to short-term leases	73,206	94,532
Interest expenses (included in finance costs)	36,698	39,471
	244,600	294,691

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

35. LEASES *(continued)*

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and warehouses. Lease agreements are typically made for fixed periods of 1 year to 20 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. On renewal, the terms of the leases are renegotiated. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The total cash outflow included in the consolidated statement of cash flows within operating activities and financing activities for leases are RMB73,206,000 (2023: RMB94,532,000) and RMB109,827,000 (2023: RMB110,758,000), respectively.

Further information about the leasing activities and future minimum lease receivables are disclosed in notes 16, 17 and 36, respectively.

36. OPERATING LEASE ARRANGEMENTS

The Group as Lessor

At the end of the reporting period, completed investment properties and other properties with carrying amounts of RMB185,224,049,000 (2023: RMB173,054,568,000) and RMB1,985,428,000 (2023: RMB1,684,717,000), respectively, were let out under operating leases.

Property rental income earned during the year was RMB6,099,759,000 (2023: RMB5,298,314,000), of which RMB5,938,589,000 (2023: RMB5,184,671,000) was derived from the letting of investment properties. All of the properties leased out have committed operating lease terms ranging from 1 to 20 years (2023: 1 to 20 years).

At the end of the reporting period, the Group had contracted with tenants for the following undiscounted future minimum lease receivables:

	2024 **RMB'000**	2023 RMB'000
Within one year	**4,289,631**	4,388,235
After one but within two years	**3,005,522**	3,187,735
After two but within three years	**1,961,920**	2,152,669
After three but within four years	**1,160,639**	1,225,827
After four but within five years	**773,405**	799,686
After five years	**1,689,883**	1,743,821
	12,881,000	13,497,973

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

37. ACQUISITION OF A SUBSIDIARY

For the year ended 31 December 2023, according to the sales and purchase agreements dated 18 December 2023, which were entered into between the Group and one of the other shareholders of Suzhou Feifan City Property Co., Ltd.* (蘇州非凡城市置業有限公司) ("Suzhou Feifan"), the associate of the Group before the completion of this transaction, the Group acquired 17% of the equity interest in Suzhou Feifan and the corresponding shareholder loan from a shareholder at a total consideration of RMB50,540,000. The acquisition was completed on 21 December 2023. Accordingly, the Group increased its equity interest in Suzhou Feifan from 33% to 50% and it became a subsidiary of the Group since the Group has control over relevant activities of Suzhou Feifan via the board of directors. As a result, the Group recognised a remeasurement gain on pre-existing interest in an associate upon acquisition of RMB141,254,000 and a gain on bargain purchase of subsidiaries of RMB89,068,000 during the year ended 31 December 2023.

The above acquisitions had the following effect on the Group's assets and liabilities:

	2023 RMB'000
Deferred tax assets	160,230
Stock of properties	1,394,159
Trade and other receivables	31,547
Deposits and prepayments	2,621
Bank balance and cash	70,024
Trade and other payables	(105,361)
Pre-sales proceeds	(76,875)
Amounts due to non-controlling shareholders	(123,649)
Tax liabilities	(398,057)
Deferred tax liabilities	(338,671)
Net assets	615,968
Interests in associates	(48,142)
Non-controlling interest	(286,964)
Re-measurement gains on pre-existing interest in an associate upon acquisition *(note 9)*	(141,254)
Gains on bargain purchase of a subsidiary *(note 9)*	(89,068)
Total consideration	50,540
Representing:	
Cash consideration paid during the year	50,540
Analysis of net cash inflow in respect of the acquisition of subsidiaries:	
Cash consideration paid during the year	(50,540)
Cash and cash equivalents acquired	70,024
	19,484

The subsidiaries acquired had no significant contribution to the Group's revenue and profit for the year ended 31 December 2023.

* *English translation for identification purpose only.*

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

38. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments not provided for in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Capital expenditure in respect of investment properties:		
Contracted but not provided for	6,574,067	7,584,953

39. FINANCIAL GUARANTEES

At the end of the reporting period, the financial guarantees were as follows:

(a) Guarantees given by the Group to banks in respect of credit facilities granted to:

	2024 RMB'000	2023 RMB'000
Associates		
– Maximum	31,145	468,123
– Utilised	31,145	138,273
Joint ventures		
– Maximum	11,616,339	11,502,050
– Utilised	10,695,801	10,010,947
Other entity classified as financial asset at fair value through profit or loss		
– Maximum	322,000	322,000
– Utilised	264,737	248,915

(b) At 31 December 2024, the Group had counter indemnities amounting to RMB1,716,493,000 (2023: RMB1,541,137,000) for guarantees issued in respect of certain construction contracts undertaken by the Group.

(c) At 31 December 2024, the Group provided guarantees amounting to RMB45,042,822,000 (2023: RMB63,315,413,000) for the repayment of the mortgage loans granted to purchasers of the Group's properties.

The directors of the Company considered that the fair values of financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of short maturity periods and low applicable default rates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

40. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group have been pledged to secure the bank borrowings and guaranteed notes and corporate bonds. The carrying values of the pledged assets at 31 December 2024 and 2023 were as follows:

	2024 RMB'000	2023 RMB'000
Investment properties and property, plant and equipment	100,847,606	65,947,369
Stock of properties	37,813,991	32,940,312
	138,661,597	98,887,681

41. RELATED PARTY TRANSACTIONS

(a) In addition to those balances and transactions disclosed elsewhere in the consolidated financial statements, the following material related party transactions have been entered into by the Group during the year:

Nature of transaction	*Notes*	2024 RMB'000	2023 RMB'000
Fellow subsidiaries#			
Property development project construction fee	*(a)*	3,968,722	3,482,283
Rental and utility income	*(b)*	313,838	225,775
Heating pipes connection service fee	*(a)*	–	11,638
Building design consultancy income	*(c)*	7,387	8,025
Property management and value-added services fee	*(c)*	1,196,059	1,209,867
Material procurement and supply chain management services income	*(c)*	631,803	658,055
Interest expenses	*(g)*	7,211	4,098
Interest income	*(h)*	240	412
Sales of properties	*(f)*	–	5,745
Sales of investment properties	*(i)*	43,362	–
Asset-light management service income	*(c)*	11,422	–
Associates			
Interest income	*(d)*	3,416	60,514
Royalty income	*(e)*	183,000	178,800
Lease payments	*(b)*	17,000	56,591
Building design consultancy income	*(c)*	2,816	1,162
Material procurement service income	*(c)*	777,765	1,048,633
Information technology service income	*(c)*	7,600	8,400
Joint ventures			
Interest income	*(d)*	124,010	202,350
Interest expenses	*(g)*	11,646	12,638

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

41. RELATED PARTY TRANSACTIONS *(continued)*

(a) *(continued)*

Notes:

(a) Property development project construction and heating pipes connection service fee are charged in accordance with respective contracts. The amounts represent aggregate transaction amounts during the year in relation to contracts signed in the current and prior years.

(b) Rental and utility income and lease payments are charged in accordance with respective tenancy agreements.

(c) Building design consultancy income, property management and value-added services fee, material procurement and supply chain management services income, asset-light management service income, material procurement service income and information technology service income are charged in accordance with respective contracts.

(d) Interest income is charged at interest rates as specified in notes 19 and 24 on the outstanding amounts.

(e) Royalty income is charged at annual fee as specified in the contracts.

(f) The Group entered into various sale and purchase agreements with certain subsidiaries of China Overseas Property Holdings Limited, a fellow subsidiary of the Company, for the disposal of car parking spaces in the Chinese mainland.

(g) Interest expenses is charged at interest rates as specified in note 28 and 31 on the outstanding amounts.

(h) Interest income is charged at interest rates as specified in note 25 on the deposits placed in CSCFL.

(i) The consideration of the sales of investment properties are charged in accordance with respective sale and purchase agreement.

 # These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) The remuneration of the Company's directors and other members of key management of the Group during the year was as follows:

	2024 **RMB'000**	2023 RMB'000
Basic salaries, allowances and benefits-in-kind	**26,838**	29,396
Performance related bonus	**13,955**	31,082
Provident fund contribution	**1,309**	1,364
	42,102	61,842

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

41. RELATED PARTY TRANSACTIONS *(continued)*

(c) Transactions with Other State-Controlled Entities in the PRC

The Group operates in an economic environment predominated by entities directly or indirectly owned or controlled by the PRC government. In addition, the Group is itself part of a larger group of companies under CSCEC which is controlled by the PRC government. Apart from the transactions already disclosed above, the Group also conducts business with other state-controlled entities ("State-controlled Entities"). The directors of the Company consider that those State-controlled Entities are independent third parties so far as the Group's businesses with them are concerned.

In connection with their property development activities, the Group awarded certain construction and other work contracts to entities, which, to the best knowledge of management, are State-controlled Entities.

The Group has also entered into various transactions with the PRC government departments or agencies which include the acquisition of land mainly through tendering to those government departments or agencies.

Other than those disclosed in section (a) above and the acquisition of land from the government departments or agencies, the directors of the Company consider that the other transactions with those State-controlled Entities are not material to the Group.

In addition, in the normal course of business, the Group has maintained various trade balances with contractors and have entered into various deposits and lending transactions with banks and financial institutions which are State-controlled Entities. In view of the nature of those transactions, the directors of the Company are of the opinion that quantitative information on the extent of transactions between the Group and the government-related entities would not be meaningful.

The Group is active in the sale and leasing of properties and other services in various provinces in the PRC. The directors of the Company are of the opinion that it is impracticable to ascertain the identity of all the counterparties and accordingly whether the transactions are with State-controlled Entities. However, the directors of the Company are of the opinion that other than those disclosed in section (a) above, the transactions with State-controlled Entities are not material to the Group's operations.

In addition to the above transactions, details of the Group's amounts due from and to related parties are disclosed in the consolidated statement of financial position and notes 18, 19, 24, 25, 28, 29 and 31.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		2024 RMB'000	2023 RMB'000
Non-current Assets			
Property, plant and equipment		44,794	61,726
Investments in subsidiaries		2,940,336	2,474,719
		2,985,130	2,536,445
Current Assets			
Stock of properties		60	58
Other receivables		4,274	9,239
Deposits and prepayments		11,313	21,173
Amounts due from subsidiaries		156,124,193	167,896,274
Amounts due from associates		420	418
Amounts due from joint ventures		4,705	4,594
Bank balances and cash		3,490,389	2,800,765
		159,635,354	170,732,521
Current Liabilities			
Other payables		175,471	156,513
Amounts due to subsidiaries		20,143,042	25,709,547
Lease liabilities – due within one year		18,692	17,614
Tax liabilities		4,063	3,967
Bank borrowings – due within one year		3,693,188	5,307,994
Other financial liabilities		357,255	182,983
		24,391,711	31,378,618
Net Current Assets		135,243,643	139,353,903
Total Assets Less Current Liabilities		138,228,773	141,890,348
Capital and Reserves			
Share capital		74,035,443	74,035,443
Reserves	*Note (a)*	12,083,205	15,746,899
Total Equity		86,118,648	89,782,342
Non-current Liabilities			
Lease liabilities – due after one year		28,235	45,817
Bank borrowings – due after one year		51,666,881	51,843,745
Other financial liabilities		415,009	218,444
		52,110,125	52,108,006
Total of Equity and Non-Current Liabilities		138,228,773	141,890,348

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2025 and was signed on its behalf by:

Yan Jianguo *Executive Director*	**Zhang Zhichao** *Executive Director*

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

(a) Reserves of the Company

	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	322,348	13,283,494	13,605,842
Profit and total comprehensive income for the year	–	9,706,708	9,706,708
2022 final dividend	–	(3,983,938)	(3,983,938)
2023 interim dividend	–	(3,581,713)	(3,581,713)
At 31 December 2023 and 1 January 2024	**322,348**	**15,424,551**	**15,746,899**
Profit and total comprehensive income for the year	**–**	**3,834,427**	**3,834,427**
2023 final dividend	**–**	**(4,536,107)**	**(4,536,107)**
2024 interim dividend	**–**	**(2,962,014)**	**(2,962,014)**
Release of share option reserve upon the related options lapsed	**(322,348)**	**322,348**	**–**
At 31 December 2024	**–**	**12,083,205**	**12,083,205**

The Company's reserve available for distribution to shareholders at 31 December 2024 represents the retained profits of RMB12,083,205,000 (2023: RMB15,424,551,000).

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following are the particulars of the principal subsidiaries at 31 December 2024 which, in the opinion of the directors of the Company, principally affect the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length. All subsidiaries registered in the PRC are operating in the PRC. Unless otherwise specified, all other subsidiaries are incorporated and operating principally in Hong Kong.

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
Carmelite Riverside London S.à r.l. (iv)	15,000 shares of GBP1 each	–	100	Commercial property operations
China Overseas Finance (Cayman) III Limited (iii)	1 share of US$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) V Limited (iii)	1 share of US$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VI Limited (iii)	1 share of US$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VII Limited (iii)	1 share of US$1	100	–	Issuance of guaranteed notes
China Overseas Finance (Cayman) VIII Limited (iii)	1 share of US$1	100	–	Issuance of guaranteed notes
China Overseas Property Limited	100 shares HK$1,000	100	–	Investment holding, property consultancy and real estate agency
China Overseas Project Development Limited	500,000 shares HK$5,000,000	100	–	Loan financing, investment holding and security investments
China Overseas (Zhong Guo) Limited	5,000,000 shares HK$50,000,000	–	100	Investment holding
Great Fortune Property Limited (v)	48,100,000 shares of GBP1 each	–	100	Commercial property operations

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
Macfull Limited	1,250 shares HK$1,250	–	80	Property development
One Finsbury Circus London Propco S.à r.l. [iv]	12,024 shares of GBP1 each	–	100	Commercial property operations
天威投資置業有限公司[vi]	2 shares MOP25,000	–	100	Commercial property operations
上海中建投資有限公司[ii]	RMB450,000,000	–	51	Commercial property operations
上海中海海昆房地產有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
上海中海海華房地產有限公司[ii]	RMB10,000,000	–	98	Property development
上海金海伊上房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
上海海升環盛房地產開發有限公司[ii]	RMB10,000,000	–	70	Property development and commercial property operations
上海海匯房地產開發有限公司[ii]	RMB3,676,840,000	–	70	Commercial property operations
上海新遼原企業發展有限公司[ii]	RMB10,000,000	–	80	Property development and commercial property operations
上海寰宇匯商業管理有限公司[i]	US$196,000,000	–	100	Commercial property operations
上海海尚西岸城市建設發展有限公司[ii]	RMB7,850,000,000	–	85	Property development
上海海盛西岸城市建設發展有限公司[ii]	RMB6,480,000,000	–	85	Property development and commercial property operations
上海海瑧房地產有限公司[ii]	RMB10,000,000	–	100	Property development
上海佳樺房地產開發有限公司[ii]	RMB260,000,000	–	70	Commercial property operations
大連中海海港投資有限公司[ii]	RMB300,000,000	–	80	Property development
大連鼎泰海通房地產有限公司[ii]	RMB420,000,000	–	100	Property development
中海地產(蘇州)有限公司[i]	RMB20,000,000	–	100	Property development
中海海通(蘇州)房地產有限公司[ii]	RMB500,000,000	–	100	Property development and commercial property operations
中海海隆商業管理(蘇州)有限公司[ii]	RMB20,000,000	–	100	Commercial property operations
無錫海隆房地產有限公司[ii]	RMB20,000,000	–	100	Property development
蘇州澤安商業發展有限公司[i]	RMB20,000,000	–	100	Commercial property operations
蘇州海卓房地產有限公司[ii]	RMB20,000,000	–	100	Property development
蘇州非凡城市置業有限公司[ii]	RMB50,000,000	–	50	Property development
蘇州海嘉房地產有限公司[ii]	RMB20,000,000	–	100	Property development
蘇州恒至嘉房地產開發有限公司[ii]	RMB500,000,000	–	51	Property development
台州中海海融房地產有限公司[ii]	RMB420,000,000	–	100	Property development
寧波中海海和房地產有限公司[ii]	RMB20,000,000	–	100	Property development
寧波中海海潤置業有限公司[ii]	RMB20,000,000	–	100	Property development and commercial property operations
寧波中海海如房地產有限公司[ii]	RMB20,000,000	–	100	Property development
寧波海聯房地產有限公司[ii]	RMB320,000,000	–	100	Property development
寧波海合房地產有限公司[ii]	RMB20,000,000	–	100	Property development
佛山中海千燈湖房地產開發有限公司[ii]	RMB2,020,000,000	–	100	Property development
佛山市中海環宇城商業管理有限公司[ii]	RMB20,000,000	–	100	Commercial property operations
佛山市順德中海嘉森房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development and commercial property operations
佛山海映商業管理有限公司[ii]	RMB534,000,000	–	100	Commercial property operations
杭州海睿房地產有限公司[ii]	RMB30,000,000	–	100	Property development
杭州中海海碩房地產有限公司[ii]	RMB30,000,000	–	100	Property development

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
長沙潤江置業有限公司[(ii)]	RMB30,000,000	–	100	Property development
長沙潤湘置業開發有限公司[(ii)]	RMB30,000,000	–	100	Property development
湖南省中海城市廣場投資有限公司[(ii)]	RMB100,000,000	–	100	Commercial property operations
湖南省中海控股有限公司[(ii)]	RMB100,000,000	–	100	Property development
長沙潤嶽置業有限公司[(ii)]	RMB30,000,000	–	100	Property development
長春海勝房地產開發有限公司[(ii)]	RMB50,000,000	–	100	Property development
長春海頤房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
長春海瀛房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
重慶中海海能房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
重慶信悦置業有限公司[(ii)]	RMB20,000,000	–	100	Property development
重慶信揚置業有限公司[(ii)]	RMB20,000,000	–	100	Property development
重慶海躍置業有限公司[(i)]	RMB2,395,404,280	–	100	Property development
重慶嘉江房地產開發有限公司[(i)]	US$5,000,000	–	60	Property development
重慶中海海繪房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
重慶中海海耀房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
珠海市中海永福通商業管理有限公司[(ii)]	RMB20,000,000	–	100	Commercial property operations
珠海市海悦房地產開發有限公司[(ii)]	RMB200,000,000	–	80	Property development
廣逸房地產開發(珠海)有限公司[(i)]	HK$100,000,000	–	100	Commercial property operations
武漢中海海盛房地產有限公司[(ii)]	RMB20,000,000	–	100	Property development
武漢中海鼎盛房地產有限公司[(ii)]	RMB20,000,000	–	100	Property development and commercial property operations
武漢海訊產城企業管理有限公司[(ii)]	RMB10,000,000	–	99	Property development
武漢中海海融房地產有限公司[(ii)]	RMB20,000,000	–	100	Property development
中海企業發展集團有限公司[(i)]	RMB20,000,000,000	–	100	Property development, commercial property operations, and investment holding
中海深圳房地產開發有限公司[(ii)]	RMB2,210,000,000	–	100	Property development
深圳市中海啟明房地產開發有限公司[(ii)]	RMB10,000,000	–	100	Property development
深圳市海嘉房地產開發有限公司[(ii)]	RMB10,000,000	–	100	Property development and commercial property operations
深圳市豐明房地產開發有限公司[(ii)]	RMB3,192,000,000	–	80	Property development
深圳市啟潮房地產開發有限公司[(ii)]	RMB10,000,000	–	100	Property development and commercial property operations
深圳市潤海發展房地產有限公司[(ii)]	RMB19,300,000,000	–	50	Property development
深圳市海澤房地產開發有限公司[(ii)]	RMB100,000,000	–	80	Property development
深圳市海奕房地產開發有限公司[(ii)]	RMB100,000,000	–	51	Property development
廈門中海嘉業地產有限公司[(ii)]	RMB2,010,000,000	–	100	Property development
廈門中海海泰地產有限公司[(ii)]	RMB10,000,000	–	100	Property development
昆明海祥房地產開發有限公司[(ii)]	RMB100,000,000	–	100	Property development and commercial property operations
昆明海豪房地產開發有限公司[(ii)]	RMB1,500,000,000	–	60	Property development
昆明海潮房地產開發有限公司[(ii)]	RMB20,000,000	–	100	Property development
廣州中海盛合房地產開發有限公司[(ii)]	RMB410,000,000	–	100	Property development
廣州中海盛安房地產開發有限公司[(ii)]	RMB10,000,000	–	100	Property development
廣州中海盛榮房地產開發有限公司[(ii)]	RMB2,830,000,000	–	100	Property development

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
廣州利合房地產開發有限公司[ii]	RMB2,059,376,984	–	100	Property development and commercial property operations
廣州盛雲房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
廣州粵合房地產開發有限公司[ii]	RMB2,000,000,000	–	50	Property development
廣州中海海志房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
廣州啟瑞房地產開發有限公司[ii]	RMB3,000,000,000	–	90	Property development
濟南中海城房地產開發有限公司[ii]	RMB30,000,000	–	100	Property development
濟南中海海瀛投資有限公司[ii]	RMB325,000,000	–	65	Property development
濟南中海華山商業地產有限公司[i]	RMB500,000,000	–	100	Property development and commercial property operations
濟南寰宇商業運營管理有限公司[i]	RMB35,000,000	–	100	Commercial property operations
濟南中海豪峰房地產開發有限公司[ii]	RMB31,000,000	–	100	Property development
太原中海仲興房地產開發有限公司[ii]	RMB50,000,000	–	100	Property development
太原中海凱源房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
太原中海景昌房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
太原冠澤置業有限公司[ii]	RMB200,000,000	–	100	Commercial property operations
石家莊中海新石房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
石家莊中海海盈房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
北京中信房地產有限公司[ii]	RMB50,000,000	–	100	Property development and commercial property operations
北京中海地產有限公司[ii]	RMB50,000,000	–	100	Property development and commercial property operations
北京中海金石房地產開發有限公司[ii]	RMB10,000,000	–	100	Commercial property operations
北京中海盈盛房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
北京中海盈璟房地產開發有限公司[ii]	RMB10,000,000	–	70	Property development
北京中海盈豐房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
北京中海廣場商業發展有限公司[ii]	RMB30,000,000	–	100	Commercial property operations
北京中海興良房地產開發有限公司[ii]	RMB210,000,000	–	100	Property development and commercial property operations
北京中海鑫海房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
北京仁和燕都房地產開發有限公司[ii]	RMB40,000,000	–	100	Commercial property operations
北京安泰興業置業有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
北京金鑫興業房地產開發有限公司[ii]	RMB50,000,000	–	60	Property development
北京海望商業發展有限公司[ii]	RMB1,000,000	–	100	Commercial property operations
北京奧城四季商業發展有限公司[ii]	RMB830,000,000	–	100	Commercial property operations
北京鑫安興業房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
北京鑫景通達商業發展有限公司[ii]	RMB210,000,000	–	100	Commercial property operations
北京海鑫興業房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
北京中海盈通房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
北京中海盈智房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
北京虹豐置業有限公司[ii]	RMB4,300,000,000	–	95	Property development
北京中信新城房地產有限公司[ii]	RMB500,000,000	–	80	Property development

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
北京中海未來置業有限公司[ii]	RMB2,600,000,000	–	80	Property development
星旅(北京)房地產開發有限公司[ii]	RMB3,000,000,000	–	70	Property development
北京新鑫興業房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
中海地產(青島)投資開發有限公司[i]	US$69,800,000	–	100	Commercial property operations
青島中海海泰置業有限公司[i]	RMB363,636,364	–	100	Property development
青島海慧廣逸房地產有限公司[ii]	RMB19,607,843	–	51	Property development
中海佳隆成都房地產開發有限公司[ii]	RMB50,000,000	–	100	Property development and commercial property operations
中海振興(成都)物業發展有限公司[i]	US$89,800,000	–	100	Property development and commercial property operations
成都海贏房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
東莞市中海嘉朗房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
東莞市中海嘉麟房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
福州中海地產有限公司[ii]	RMB30,000,000	–	100	Property development and hotel operations
福州中海海逸地產有限公司[ii]	RMB3,008,000,000	–	100	Property development
福州海富地產有限公司[ii]	RMB1,510,000,000	–	100	Property development
南京海方房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development and commercial property operations
南京海匯房地產開發有限公司[ii]	RMB20,000,000	–	100	Commercial property operations
南京海嘉房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development
南京海潤房地產開發有限公司[i]	US$50,000,000	–	100	Commercial property operations
南京海巍房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development and commercial property operations
南京中海地產有限公司[ii]	RMB10,000,000	–	100	Property development
南京領潮房地產開發有限公司[ii]	RMB10,000,000	–	100	Property development
中海地產(瀋陽)有限公司[i]	US$199,600,000	–	100	Property development and commercial property operations
瀋陽中海海悦房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development
瀋陽中海海順房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development
瀋陽中海海嘉房地產開發有限公司[ii]	RMB470,000,000	–	100	Property development
瀋陽中海鼎業房地產開發有限公司[i]	US$5,000,000	–	100	Property development and commercial property operations
瀋陽中海福華房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development
瀋陽中海興業房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development and commercial property operations
鄭州中海地產有限公司[ii]	RMB20,000,000	–	100	Property development
鄭州海勝房地產開發有限公司[ii]	RMB20,000,000	–	100	Property development
中海保利達地產(天津)有限公司[i]	US$49,500,000	–	51	Property development and commercial property operations
天津中海天嘉湖房地產開發有限公司[ii]	RMB4,000,000,000	–	100	Property development
天津中海商業管理有限公司[ii]	RMB30,000,000	–	100	Commercial property operations
天津中海海佑地產有限公司[ii]	RMB330,000,000	–	100	Property development and commercial property operations
天津中海海和地產有限公司[ii]	RMB30,000,000	–	100	Property development and commercial property operations

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of entity	Paid up issued/registered ordinary capital	Proportion of nominal value of issued/registered ordinary capital held by the Company Directly (%)	Indirectly (%)	Principal activities
天津中海海盛地產有限公司(i)	RMB840,000,000	–	100	Property development and commercial property operations
天津中海地產開發有限公司(ii)	RMB30,000,000	–	100	Property development
天津中海海拓地產有限公司(ii)	RMB30,000,000	–	100	Property development
天津中海海耀地產有限公司(ii)	RMB30,000,000	–	100	Property development
天津中海海佳地產有限公司(ii)	RMB780,000,000	–	100	Property development
貴陽中海房地產有限公司(ii)	RMB20,000,000	–	100	Property development
萬寧仁和發展有限公司(i)	US$206,200,000	–	99.9	Property development and hotel operations
萬寧金信發展有限公司(i)	US$53,200,000	–	99.9	Hotel operations
中海鼎業(萬寧)房地產有限公司(i)	US$86,000,000	–	99.9	Property development
海口鴻洲濱海建設有限公司(ii)	RMB100,000,000	–	100	Commercial property operations
海口中海興業房地產開發有限公司(ii)	RMB10,000,000	–	100	Property development
肇慶中海嘉興房地產開發有限公司(ii)	RMB2,170,000,000	–	100	Property development
西安中海海新房地產有限公司(ii)	RMB1,626,000,000	–	70	Property development
西安中海海潤房地產有限公司(ii)	RMB10,000,000	–	100	Property development

Notes:

(i) *Foreign investment enterprise registered in the PRC*

(ii) *Limited liability company registered in the PRC*

(iii) *Incorporated in the Cayman Islands and operating in Hong Kong*

(iv) *Incorporated and operating in Luxembourg*

(v) *Incorporated and operating in Jersey*

(vi) *Incorporated and operating in Macau*

None of the subsidiaries had any debt securities in issue at the end of the year except for guaranteed notes and corporate bonds (note 32) issued by China Overseas Finance (Cayman) III Limited (US$500,000,000), China Overseas Finance (Cayman) V Limited (US$300,000,000), China Overseas Finance (Cayman) VI Limited (US$500,000,000), China Overseas Finance (Cayman) VII Limited (US$750,000,000), China Overseas Finance (Cayman) VIII Limited (US$1,742,050,000 and RMB3,190,000,000) and 中海企業發展集團有限公司 (RMB44,900,000,000).

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